

HBL

ASSET MANAGEMENT LTD.
ايسيت مينجمنت لميٹڈ



HBL Pension & Islamic Pension Fund

QUARTERLY
REPORT 2017

For the period ended September 30, 2017

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

PENSION FUND

Corporate Information	02
Director Report	03-05
Condensed Interim Balance Sheet	07
Condensed Interim Income Statement (Un-audited)	08
Condensed Interim Statement Of Comprehensive Income (Un-audited)	09
Condensed Interim Statement Of Movement In Participants' Funds (Un audited)	10
Condensed Interim Cash Flow Statement (Un-audited)	11
Notes To The Condensed Interim Financial Information (Un-audited)	12

ISLAMIC PENSION FUND

Condensed Interim Balance Sheet	24
Condensed Interim Income Statement (Un-audited)	25
Condensed Interim Statement Of Comprehensive Income (Un-audited)	26
Condensed Interim Statement Of Movement In Participants' Funds (Un audited)	27
Condensed Interim Cash Flow Statement (Un-audited)	28
Notes To The Condensed Interim Financial Information (Un-audited)	29

CORPORATE INFORMATION

Management Company HBL Asset Management Limited.

Board of Directors

Chairman	Mr. Tawfiq Habib Chinoy	(Non-Executive Director)
Directors	Mr. Farid Ahmed Khan	(Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Ms. Ava Ardeshir Cowasjee	(Non-Executive Director)
	Mr. Nadeem Abdullah	(Non-Executive Director)
	Mr. Rayomond Kotwal	(Non-Executive Director)

Audit Committee

Chairman	Mr. Nadeem Abdullah	(Non-Executive Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Ms. Ava Ardeshir Cowasjee	(Non-Executive Director)
	Mr. Rayomond Kotwal	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Tawfiq Habib Chinoy	(Non-Executive Director)
Members	Mr. Farid Ahmed Khan	(Executive Director)
	Mr. Rayomond Kotwal	(Non-Executive Director)

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Farid Ahmed Khan	(Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

'AM2' (Positive Outlook)

Legal Advisors

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

Website

www.hblasset.com

Head Office

7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

Registered Office

7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

FOR THE QUARTER ENDED SEPTEMBER 30, 2017

The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of HBL Pension Fund and HBL Islamic Pension Fund (the Funds) for the quarter ended September 30, 2017.

Economic Review

During 1QFY18, major economic indicators have sustained positive trend with manageable inflation levels, high LSM growth, strong private sector credit growth and lower fiscal deficit. However, import growth significantly outpaced exports which worsened trade account and increase in Current Account deficit. Import growth was primarily led by petroleum products, CPEC driven machinery and steel products which is encouraging as it suggests stronger economic growth in FY18.

Average inflation for 1QFY18 clocked in at 3.39% as compared to 3.86% in 1QFY17. Headline inflation remained muted on the back of adequate food supplies and stable local and international commodity prices. However, core inflation (measured by non-food-non-energy CPI) was recorded higher at 5.5%, reflecting underlying demand pressures. With adequate stocks of major food commodities (wheat and sugar) and no major disruption expected during the remaining months of FY18, inflation is likely to remain at manageable levels and thus FY18 average CPI would likely settle in a range of 4.5-5.0%.

Lower inflation & interest rates, increased private sector credit and domestic consumption led to strong growth in manufacturing output. Large-scale manufacturing (LSM) posted 12.98%YoY growth in Jul-17 primarily led by Iron & Steel Products (+46%), Automobiles (+42%), Non-metallic Mineral Products (+38%), Engineering (+22%) and Food (+19%). Promising growth of the manufacturing sector along with an encouraging initial assessment of major crops is likely to bode well for the overall economy which would likely sustain GDP growth momentum in FY18. Despite election year, the Government has maintained fiscal discipline during 1QFY18 as fiscal deficit was recorded at 10-year low of 0.9% of GDP (PKR324bn) as compared to 1.3% of GDP (PKR438bn) in 1QFY17. Improvement in fiscal account was driven by improved tax collection (+22% YoY) while total expenditures remained restricted (-2% YoY).

However, there are concerns on the external account front with 2MFY18 current account deficit soaring to USD2.6bn (4.6% of GDP) as compared to USD1.3bn (2.5% of GDP) during 2MFY17. Surge in Current Account deficit was driven by 27.9% YoY growth in imports against 17.9% YoY growth in exports which resulted in a trade deficit of USD 5.1bn. In this regard, government's efforts to maintain FX reserves (currently at 3.4 months of import cover) would be an important determinant of macroeconomic stability.

During the quarter, SBP kept the policy rate unchanged at 5.75% in the monetary policy announcements. Going forward, policy rate is likely to remain unchanged as the central bank would have to balance the need for GDP growth amid worsening current account deficit.

Money Market Review

On the Fixed Income front, yield curve steepened with secondary market yields on 3, 5 and 10-year PIBs increasing by 45, 56 and 13 bps respectively. The GoP raised PKR54bn through PIBs compared to the cumulative target of PKR300bn and against maturities of PKR772bn. Participation in auctions of PIBs was also limited and amounted to only PKR107bn (14% of maturity amount). PIB auctions held in Aug'17 and Sep'17 were scrapped. Cut-off yields remained almost flat and stood at 6.4091%, 6.8961% and 7.9360% p.a. for 3, 5 and 10-year PIBs respectively. Trading activity in the secondary market of PIBs remained subdued during the quarter reflecting market participants' expectation of interest rates having bottomed out and expected to increase in medium term.

During 1QFY18, government borrowing from scheduled banks increased by PKR219bn against net retirement of PKR260bn during the same period last year. Meanwhile, government borrowing from the SBP increased by PKR201bn lower than PKR580bn during 1QFY17. GoP raised PKR4,214bn (excluding NCB) through T-Bills, against target of PKR3,900bn and maturities of PKR3,264bn. Cut-off yields was unchanged during the period at 5.9910%, 6.0109% and 6.0386% p.a. for 3, 6 and 12-month T-Bills respectively. Major amount was accepted in the 3-month tenor. Going forward, since policy rate is likely to remain unchanged yield curve would likely remain sticky at current levels.

Stock Market Review

During 1QFY18, KSE100 index declined by 8.9% to 42,409 points - worst quarter since Dec-08. Political noise continued to dent overall sentiment with concerns over future post indictment of ex?PM, his family and the Finance Minister by the accountability court. On the international political front, US administration expressed concerns over Pakistan's contribution to war on terror which led to expectations of cut in Coalition Support Fund payments to Pakistan. Sector specific news flow was also negative during the quarter as one of the largest banks was charged a penalty from DFS NY while Supreme Court announced decision of an old pension case against another public sector bank. Cement sector further added to market woes following price cut (~PKR20-25/bag) by manufacturers in the North region with rumors over possibility of a price war. Fertilizer sector also remained weak due to demand-supply imbalances although sharp reversal in global urea prices and allowance of export quota by government provided some support to the stock prices towards quarter-end. During Sep-17, FTSE announced inclusion of five

Pakistani stocks (MCB, SNGP, BAFL, MTL and THALL) in its Asia Pacific ex-Japan Index which led to net foreign buying of USD27.7mn within the week of index rebalancing (week ending on September 15, 2017). However, overall net foreign outflow was recorded at USD90mn during the quarter. Sectors with currency-hedged revenues (oil and gas exploration & production, IPPs and textiles) emerged as outperformers whereas sectors bearing inverse relationship with currency (autos/pharmaceuticals) reflecting market expectation of PKR depreciation. We expect market to remain range bound in near term while returns should improve over the medium term as valuations are attractive in comparison to regional markets.

FUNDS' PERFORMANCE

HBL Pension Fund

The Fund comprises of three sub funds namely Equity sub-fund, Debt sub-fund and Money Market sub-fund.

The Fund as a whole earned total and net income of Rs. 1.01 million and Rs. (1.98) million respectively during the period under review. The fund size decreased from Rs 574.35 million as on June 30, 2017 to Rs. 545.17 million as at September 30, 2017 thereby showing a decline of 5% during the period under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned total and net income of Rs. (4.43)million and Rs (5.61) million respectively. The net assets of the Equity sub-fund was Rs. 218.32 million representing Net Asset Value (NAV) of Rs. 358.2740 per unit as at September 30, 2017. The Sub Fund earned a negative return of 12.21% for the period under review.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 2.79 million and Rs. 1.81 million respectively. The net assets of the Debt sub-fund was Rs. 172.59 million representing Net Asset Value (NAV) of Rs. 154.6944 per unit as at September 30, 2017. The Fund yielded annualized return of 3.31% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 2.65 million and Rs. 1.82 million respectively. The net assets of the Money Market sub-fund was Rs. 154.26 million representing Net Asset Value (NAV) of Rs. 142.7440 per unit as at September 30, 2017. An annualized return of 4.67% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

The Fund comprises of three sub funds namely Equity sub-fund, Debt sub-fund and Money Market sub-fund.

The Fund as a whole earned total and net income of Rs. (0.58) million and Rs. (2.53) million respectively during the period under review. The fund size decreased from Rs 381.95 million as at June 30, 2017 to Rs. 355.04 million as at September 30, 2017 showing decline of 7%. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned total and net income of Rs. (3.06) million and Rs. (4.08) million respectively. The net assets of the Equity sub-fund was Rs. 182.86 million representing Net Asset Value (NAV) of Rs. 385.9483 per unit as at September 30, 2017. The Fund yielded a negative return of 12.55% for the period under review.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 1.46 million and Rs. 0.93 million respectively. The net assets of the Debt sub-fund was Rs. 102.68 million representing Net Asset Value (NAV) of Rs. 138.62 per unit as at September 30, 2017. The Fund yielded annualized return of 2.27% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 1.02 million Rs. 0.62 million respectively. The net assets of the Money Market sub-fund was Rs.69.50 million representing Net Asset Value (NAV) of Rs. 135.9581 per unit as at September 30, 2017. An annualized return of 3.50% was earned by the Fund for the period under review..

Acknowledgement

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer
Director

Date: **October 27, 2017**

HBL

PENSION FUND

**HBL PENSION FUND
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017**

	September 30, 2017 (Un-audited)			June 30, 2017 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
ASSETS								
Bank balances	17,283	41,634	114,225	173,142	15,488	18,391	96,629	130,508
Investments - net	207,204	131,596	40,881	379,681	218,388	167,775	64,791	450,954
Dividend receivable and accrued mark-up	678	1,507	824	3,009	627	917	664	2,208
Advances, deposits, prepayments and other receivables	100	100	-	200	100	100	-	200
Total assets	225,265	174,837	155,930	556,032	234,603	187,183	162,084	583,870
LIABILITIES								
Payable to HBL Asset Management Limited - Pension Fund Manager	304	240	215	759	345	247	213	805
Payable to the Central Depository Company of Pakistan, Limited - Trustee	30	24	22	76	34	26	21	81
Payable to the Securities and Exchange Commission of Pakistan	19	15	13	47	66	58	51	175
Accrued expenses and other liabilities	6,592	1,970	1,421	9,983	4,956	1,735	1,767	8,458
Total liabilities	6,945	2,249	1,671	10,865	5,401	2,066	2,052	9,519
NET ASSETS	218,320	172,588	154,259	545,167	229,202	185,117	160,032	574,351
PARTICIPANTS' SUB-FUNDS (as per statement attached)	218,320	172,588	154,259	545,167	229,202	185,117	160,032	574,351
Contingencies and commitments								
Number of units in issue	609,366	1,115,668	1,080,671	2,805,705	561,606	1,206,656	1,134,303	2,902,565

	Rupees
Net asset value per unit	358.2740
	154.6944
	142.7440
	408.1194
	153.4136
	141.0836

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL PENSION FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended ended September 30, 2017			Three months ended ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Income								
Dividend income	1,594	-	-	1,594	756	-	-	756
Profit on bank deposits	366	783	1,613	2,762	68	99	440	607
Mark-up / return on investments	-	2,121	1,022	3,143	-	3,063	1,950	5,013
Capital (loss) / gain on sale of investments - net	(4,900)	(174)	13	(5,061)	12,943	-	-	12,943
Unrealized (loss) / gain on revaluation of investments at fair value through profit or loss	(1,485)	55	1	(1,429)	-	-	-	-
	(4,425)	2,785	2,649	964	13,767	3,162	2,390	19,319
Expenses								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	954	757	665	2,376	695	744	683	2,122
Remuneration of Central Depository Company of Pakistan Limited - Trustee	96	76	67	239	70	75	66	211
Annual fee to the Securities and Exchange Commission of Pakistan	19	15	13	47	14	15	13	42
Auditors' remuneration	45	45	45	135	25	25	25	75
Securities Transaction Costs	75	28	-	103	-	-	-	-
Settlement and bank charges	-	20	6	26	-	-	-	-
	1,189	941	796	2,926	804	859	787	2,450
Net (loss) / income from operating activities	(5,614)	1,844	1,853	(1,917)	12,963	2,303	1,603	16,869
Provision for Workers' Welfare Fund	-	(96)	(37)	(73)	-	-	-	-
Net (loss) / income for the period before taxation	(5,614)	1,808	1,816	(561)	12,963	2,303	1,603	16,869
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(5,614)	1,808	1,816	(1,540)	12,963	2,303	1,603	16,869

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL PENSION FUND
CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended September 30, 2017			Three months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Net (loss) / income for the period after taxation	(5,614)	1,808	1,816	(1,990)	12,963	2,303	1,603	16,869
Other comprehensive income for the period								
Items that may be reclassified subsequently to income statement:								
Net unrealised (diminution) / appreciation in the market value of investments classified as available for sale	(24,208)	(336)	5	(24,539)	1,440	(1,178)	(33)	229
Total comprehensive (loss) / income for the period	(29,822)	1,472	1,821	(26,529)	14,403	1,125	1,570	17,098

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL PENSION FUND
CONDENSED INTERIM STATEMENT OF
MOVEMENT IN PARTICIPANTS' FUNDS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended September 30, 2017			Three months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total
	(Rupees in '000)							
Net assets at beginning of the period	229,202	185,117	160,032	574,351	152,107	178,222	151,602	481,931
Amount received on issuance of units	37,921	27,881	16,803	82,605	6,757	8,881	19,414	35,052
Amount paid on redemption of units	(16,904)	(42,405)	(25,951)	(85,260)	(5,770)	(15,165)	(22,454)	(43,389)
Reallocation among Sub-Funds	(2,077)	523	1,554	-	(167)	(1,429)	1,596	-
Net income for the period	(5,614)	1,808	1,816	(1,990)	12,963	2,303	1,603	16,869
Net unrealised (diminution) / appreciation in the market value of securities classified as 'available for sale'	(24,208)	(336)	5	(24,539)	1,440	(1,178)	(33)	229
Total comprehensive (loss) / income for the period	(29,822)	1,472	1,821	(26,529)	14,403	1,125	1,570	17,098
Net assets at end of the period	218,320	172,588	154,259	545,167	167,330	171,634	151,728	490,692

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

Chief Financial Officer

Chief Executive Officer

Director

For HBL Asset Management Limited
(Management Company)

**HBL PENSION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended September 30, 2017			Three months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the period before taxation	(5,614)	1,808	1,816	(1,990)	12,963	2,303	1,603	16,869
Adjustments:								
Unrealized (loss) / gain on revaluation of investments at fair value through 'profit or loss'	1,485	(55)	(1)	1,429	-	-	-	-
(Increase) / decrease in assets	(4,129)	1,793	1,815	(1,990)	12,963	2,303	1,603	16,869
Investments - net	(14,508)	35,888	23,916	45,305	(3,261)	395	(32,000)	(34,866)
Dividend & profit receivable	(51)	(590)	(1,600)	(801)	(709)	(1,437)	(417)	(2,563)
Advances, deposits, prepayments and other receivables	-	-	-	-	-	-	-	-
(14,559)	35,308	23,756	44,504	(3,970)	(1,042)	(32,417)	(37,429)	
Increase / (decrease) in liabilities	(41)	(7)	2	(46)	14	(11)	(1)	2
Payable to HBL Asset Management Limited - Pension Fund Manager	(4)	(2)	1	(5)	(1)	(4)	(2)	(7)
Payable to Depository Company of Pakistan Limited - Trustee	(47)	(63)	(38)	(128)	(31)	(38)	(69)	(103)
Payable to the Securities Exchange Commission of Pakistan	1,638	235	(368)	1,505	(2,114)	(142)	(675)	(2,931)
Accrued expenses and other liabilities	1,544	183	(381)	1,346	(2,132)	(195)	(712)	(3,039)
(17,145)	37,244	25,190	43,860	6,861	1,066	(31,526)	(23,599)	
Net cash (used in) / generated from operating activities	(17,145)	37,244	25,190	43,860	6,861	1,066	(31,526)	(23,599)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	37,971	27,881	16,803	82,655	6,757	8,881	19,414	35,052
Amount paid on redemption of units	(16,904)	(42,405)	(25,951)	(85,260)	(5,770)	(15,165)	(22,454)	(43,889)
Reallocation among Sub-Funds	(2,077)	523	1,554	-	(167)	(1,429)	1,596	-
Net cash generated from / (used in) financing activities	18,990	(14,001)	(7,594)	(2,605)	820	(7,713)	(1,444)	(6,337)
Net increase / (decrease) in cash and cash equivalents	1,795	23,243	17,596	42,634	7,681	(6,647)	(33,970)	(31,936)
Cash and cash equivalents at beginning of the period	15,488	18,391	96,629	130,508	12,682	8,171	42,240	63,083
Cash and cash equivalents at end of the period	17,283	41,634	114,225	173,142	20,363	1,524	9,270	31,157

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL PENSION FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011.

HBL Asset Management Limited is the Pension Fund Manager of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an unlisted pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.

The objective of the Fund is to provide individuals with a portable, individualised, funded and flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.

The Fund consists of three sub-funds namely, HBL Pension Fund Equity Sub-Fund ("Equity Sub-Fund"), HBL Pension Fund Debt Sub-Fund ("Debt Sub-Fund") and HBL Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The investment policy for each of the sub-funds are as follows:

- The Equity Sub-Fund consists of a minimum 90% of net assets invested in listed equity securities. Investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Remaining assets of the Equity Sub-Fund may be invested in any government security having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating.
- The Debt Sub-Fund consist of tradable debt securities with weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five percent (25%) of the assets in the Sub-Fund shall be invested in debt securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market sub-fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government and the commercial banks having 'A+' rating provided that deposit with any one bank shall not exceed twenty (20%) of net assets. Investment in securities issued by provincial government, city government, government entity with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be made upto 10%, 5% and 5% and 5% of net assets of the Sub-Fund respectively.

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the sub-funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

The Pension Fund Manager also offers a HBL Monthly Pension Plan ("the Income Plan") to the participants of the Fund or any other approved pension fund, at the retirement date of participants. The Income Plan intends to provide investors a monthly income stream based on investment according to the investor's desired risk exposure, within the prescribed allocation limits.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2' (Positive outlook) to the Pension Fund Manager.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

"This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency."

3. Significant Accounting and Risk Management policies, Accounting Estimates Judgement and Changes Therein

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2017.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2017.

4. INVESTMENTS - NET

		September 30, 2017 (Un-audited)				June 30, 2017 (Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Investments by category									
Available-for-sale investments		(Rupees in '000)				(Rupees in '000)			
	Note								
Listed equity securities	4.1, 4.1.1	154,982	-	-	154,982	218,388	-	-	218,388
Treasury Bills	4.2	-	-	-	-	-	-	37,791	37,791
Pakistan Investment Bonds	4.3	-	55	-	55	-	101,502	-	101,502
Term Finance Certificates and Sukuks	4.4	-	32,101	-	32,101	-	34,273	-	34,273
		154,982	32,156	-	187,138	218,388	135,775	37,791	391,954
At Fair value through Profit or Loss									
Listed equity securities		52,222	-	-	52,222	-	-	-	-
Treasury Bills		-	49,461	13,881	63,342	-	-	-	-
Pakistan Investment Bonds		-	-	-	-	-	-	-	-
Term Finance Certificates and Sukuks		-	14,222	-	14,222	-	-	-	-
		52,222	63,683	13,881	129,786	-	-	-	-
Loans and receivables									
Placements		-	3,757	-	3,757	-	-	-	-
Term Deposit Receipts (TDRs)		-	32,000	27,000	59,000	-	32,000	27,000	59,000
		-	35,757	27,000	62,757	-	32,000	27,000	59,000
		207,204	131,596	40,881	379,681	218,388	167,775	64,791	450,954

4.1 Listed equity securities - Available for Sale

Held by Equity Sub-Fund

Fully paid up ordinary shares of Rs. 10 each except Thal Limited and K-Electric Limited which have face value of Rs. 5 and Rs. 3.5 each respectively.

Sector and Name of the investee company	As at	Purchases	Bonus /	Sales	As at	Market	Market value	Market value	% of
	July 1, 2017	during the period	Right issue during the period	during the period	September 30, 2017	value as at September 30, 2017	as a % of net assets of the sub-fund	as a % of total investment of the sub-fund	paid-up capital of the investee company
	Number of shares				(Rupees in '000)		%		
Automobile Assembler									
Millat Tractors Limited	4,600	-	-	-	4,600	5,742	2.63	2.77	0.010
Gandhara Industries Limited	200	-	-	200	-	-	-	-	-
Pak Suzuki Motor Company Limited	3,000	-	-	-	3,000	1,373	0.63	0.66	0.04
	7,800	-	-	200	7,600	7,115	3.26	3.43	
Automobile Parts & Accessories									
Thal Limited	8,500	-	-	8,000	500	276	0.13	0.13	0.001
Cable and Electrical Goods									
Pak Elektron Limited	84,500	-	-	30,000	54,500	4,139	1.90	2.00	0.011
Cement									
Lucky Cement Limited	17,400	-	-	4,800	12,600	7,121	3.26	3.44	0.004
Cherat Cement Company Limited	50,000	-	-	49,700	300	36	0.02	0.02	-
Pioneer Cement Limited	63,400	-	-	25,000	38,400	3,454	1.58	1.67	0.017
D.G. Khan Cement Company Limited	45,700	-	-	16,500	29,200	4,288	1.96	2.07	0.007
	176,500	-	-	96,000	80,500	14,899	6.82	7.20	
Chemical									
ICI Pakistan Limited	3,900	-	-	1,400	2,500	2,284	1.05	1.10	0.003
Engro Polymer & Chemicals Limited	157,000	-	-	-	157,000	5,245	2.40	2.53	0.024
Sitara Chemical Industries Limited	5,950	-	-	200	5,750	2,136	0.98	1.03	0.027
	166,850	-	-	1,600	165,250	9,665	4.43	4.66	
Commercial Banks									
United Bank Limited	69,000	-	-	6,000	63,000	11,981	5.49	5.78	0.005
MCB Bank Limited	48,500	-	-	6,200	42,300	8,841	4.05	4.27	0.004
	117,500	-	-	12,200	105,300	20,822	9.54	10.05	
Engineering									
Mughal Iron and Steel Industries Limited **	1,000	-	-	-	1,000	57	0.03	0.03	-
Amreli Steels Limited	35,000	-	-	-	35,000	3,569	1.63	1.72	0.012
International Industries Limited	13,700	-	-	-	13,700	3,976	1.82	1.92	0.011
International Steels Limited ***	44,000	-	-	-	44,000	5,330	2.44	2.57	0.010
Crescent Steel and Allied Products Limited	14,075	-	-	-	14,075	2,226	1.02	1.07	0.018
	107,775	-	-	-	107,775	15,158	6.94	7.31	
Fertilizer									
Engro Corporation Limited	30,500	-	-	1,500	29,000	8,790	4.03	4.24	0.006

Sector and Name of the investee company	As at July 1, 2017	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2017	Market value as at September 30, 2017	Market value as a % of net assets of the sub-fund	Market value as a % of total investment of the sub-fund	% of paid-up capital of the investee company
	Number of shares				(Rupees in '000)		%		
Oil and Gas Exploration Companies									
Oil and Gas Development Company Limited	57,300	-	-	-	57,300	8,517	3.90	4.11	0.001
Pakistan Petroleum Limited	22,500	-	-	-	22,500	3,930	1.80	1.90	0.001
Mari Petroleum Company Limited	5,760	-	-	-	5,760	8,669	3.97	4.18	0.005
Pakistan Oilfields Limited	12,700	-	-	-	12,700	6,757	3.09	3.26	0.005
	98,260	-	-	-	98,260	27,873	12.76	13.45	
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	15,200	-	-	-	15,200	6,715	3.08	3.24	0.006
Sui Northern Gas Pipelines Limited	64,000	-	-	19,000	45,000	6,024	2.76	2.91	0.007
Hassco Petroleum Limited	26,500	-	-	5,500	21,000	5,903	2.70	2.85	0.017
	105,700	-	-	24,500	81,200	18,642	8.54	9.00	
Paper & Board									
Packages Limited ***	6,300	-	-	-	6,300	3,635	1.66	1.75	0.007
Pharmaceuticals									
Searle Pakistan Limited **	16,152	-	-	5,000	11,152	4,505	2.06	2.17	0.007
Abbott Laboratories (Pakistan) Limited	4,000	-	-	-	4,000	3,156	1.45	1.52	0.004
	20,152	-	-	5,000	15,152	7,661	3.51	3.69	
Power Generation & Distribution									
Hub Power Company Limited	96,700	-	-	8,600	88,100	9,850	4.51	4.75	0.008
Textile Composite									
Nishat Mills Limited	48,500	-	-	4,000	44,500	6,457	2.96	3.12	0.013
Total	1,075,537	-	-	191,600	883,937	154,982	70.99	74.78	
Carrying Cost as at September 30, 2017						167,128			

4.1.1 Listed equity securities - at fair value through profit or loss

Held by Equity Sub-Fund

Fully paid up ordinary shares of Rs. 10 each except Thal Limited and K-Electric Limited which have face value of Rs. 5 and Rs. 3.5 each respectively.

Sector and Name of the investee company	As at July 1, 2017	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2017	Market value as at September 30, 2017	Market value as a % of net assets of the sub-fund	Market value as a % of total investment of the sub-fund	% of paid-up capital of the investee company
	Number of shares				(Rupees in '000)		%		
Automobile Assembler									
Indus Motors Limited	-	1,000	-	-	1,000	1,721	0.79	0.83	0.0013
Pak Suzuki Motor Company Limited	-	2,100	-	-	2,100	961	0.44	0.46	0.0026
	-	3,100	-	-	3,100	2,682	1.23	1.29	0.0155
Cement									
Kohat Cement Limited	-	24,000	-	-	24,000	3,599	1.65	1.74	

Sector and Name of the investee company	As at July 1, 2017	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2017	Market value as at September 30, 2017	Market value as a % of net assets of the sub-fund	Market value as a % of total investment of the sub-fund	% of paid-up capital of the investee company
	Number of shares				(Rupees in '000)		%		
Commercial Banks									
United Bank Limited	-	15,300	-	-	15,300	2,910	1.33	1.40	0.0012
Bank Al Habib	-	56,500	-	-	56,500	3,255	1.49	1.57	0.0051
MCB Bank Limited	-	21,600	-	-	21,600	4,514	2.07	2.18	0.018
	-	93,400	-	-	93,400	10,679	4.89	5.15	
Engineering									
Amreli Steels Limited	-	7,700	-	-	7,700	785	0.36	0.38	0.0026
International Steels Limited ***	-	9,000	-	-	9,000	1,090	0.50	0.53	0.0021
	-	16,700	-	-	16,700	1,875	0.86	0.91	
Fertilizer									
Engro Fertilizers Limited	-	163,500	-	-	163,500	10,286	4.71	4.96	0.0122
Fauji Fertilizer Company Limited	-	52,000	-	-	52,000	4,323	1.98	2.09	0.0041
	-	215,500	-	-	215,500	14,609	6.69	7.05	
Oil and Gas Exploration Companies									
Oil and Gas Development Company Limited	-	22,600	-	-	22,600	3,359	1.54	1.62	0.0005
Pakistan Petroleum Limited	-	45,500	-	-	45,500	7,949	3.64	3.84	0.0023
	-	68,100	-	-	68,100	11,308	5.18	5.46	
Oil and Gas Marketing Companies									
Sui Northern Gas Pipelines Limited	-	15,800	-	-	15,800	2,115	0.97	1.02	0.0025
Power Generation & Distribution									
Hub Power Company Limited	-	28,300	-	-	28,300	3,164	1.45	1.53	0.0024
Textile Composite									
Nishat Mills Limited	-	15,100	-	-	15,100	2,191	1.00	1.06	0.0043
Total	-	480,000	-	-	480,000	52,222	23.92	25.21	
Carrying Cost as at September 30, 2017						53,706			

4.2 Government securities - Treasury bills

4.2.1 Held by Debt Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value			As at September 30, 2017	Amortised cost end of the year	Market value end of the year	Market value as a percentage of	
		As at July 1, 2017	Purchases during the period	Sales / matured during the period				Total investments of the sub-fund	Net assets of the sub-fund
					(Rupees in '000)		%		
Treasury Bill - 3 months	July 25, 2017	-	100,000	100,000	-	-	-	-	
Treasury Bill - 3 months	September 27, 2017	-	50,000	50,000	-	-	-	-	
Treasury Bill - 3 months	August 17, 2017	-	30,000	30,000	-	-	-	-	
Treasury Bill - 3 months	July 20, 2017	-	13,000	13,000	-	-	-	-	
Treasury Bill - 3 months	August 2, 2017	-	40,000	40,000	-	-	-	-	
Treasury Bill - 6 months	September 14, 2017	-	50,000	-	50,000	49,457	49,461	37.59	
		-	283,000	233,000	50,000	49,457	49,461	37.59	
								28.66	

4.2.2 Held by Money Market Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value			As at Sep 30, 2017	Amortised cost as at Sep 30, 2017	Market value as at Sep 30, 2017	Market value as a percentage of	
		As at July 1, 2017	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
					(Rupees in '000)		%		
Treasury Bill - 6 months	February 16, 2017	20,000	-	20,000	-	-	-	-	
Treasury Bill - 3 months	April 27, 2017	18,000	-	18,000	-	-	-	-	
Treasury Bill - 6 months	July 20, 2017	-	52,000	52,000	-	-	-	-	
Treasury Bill - 6 months	August 3, 2017	-	43,000	43,000	-	-	-	-	
Treasury Bill - 3 months	September 5, 2017	-	64,000	64,000	-	-	-	-	
Treasury Bill - 3 months	August 31, 2016	-	14,000	-	14,000	13,880	13,881	33.95	
		38,000	173,000	197,000	14,000	13,880	13,881	33.95	
								9.00	

4.3 Government securities - Pakistan Investment Bonds

4.3.1 Held by Debt Sub-Fund

Issue date	Face value				Amortised cost as at September 30, 2017	Market value as at September 30, 2017	Market value as a percentage of		
	As at July 01, 2017	Purchases during the period	Sales / matured during the period	As at September 30, 2017			Total investments of the sub-fund	Net assets of the sub-fund	
	(Rupees in '000)						%		
Pakistan Investment Bonds 5 years	July 17, 2014	-	50	-	50	56	55	0.04	0.03
Pakistan Investment Bonds 10 years	August 7, 2017	-	50,000	50,000	-	-	-	-	-
Pakistan Investment Bonds 5 years	July 27, 2017	-	100,000	100,000	-	-	-	-	-
		-	150,050	150,000	50	56	55	0.04	0.03

4.4 Term Finance Certificates and Sukuk bonds - Unlisted

4.4.1 Held by Debt Sub-Fund

Name of the investee company	Number of certificates				Amortised cost as at September 30, 2017	Market value / Carrying value as at September 30, 2017	Market value as a percentage of	
	As at July 1, 2017	Purchases during the year	Sales / Matured during the year	As at September 30, 2017			Total investments of the sub-fund	Net assets of the sub-fund
	(Rupees in '000)						%	
Commercial Banks								
JS Bank Limited	850	-	-	850	4,249	4,280	3.25	2.48
Bank Al-Habib Limited	2,500	-	-	2,500	12,638	12,599	9.57	7.30
Bank of Punjab	85	-	-	85	8,525	8,530	6.48	4.94
MCB Bank Limited	800	-	-	800	4,028	4,016	3.05	2.33
Fertilizers								
Fatima Fertilizers Company Limited	418	-	418	-	-	-	-	-
Multitiilities								
WAPDA Third Sukuk Company Limited	798	-	-	798	2,565	2,676	2.03	1.55
Total	5,451	-	418	5,033	32,005	32,101	24	19

5. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2017 (Un-audited)				June 30, 2017 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Auditors' remuneration	132	132	132	396	83	83	83	249
Payable against purchase of investments	4,017	-	-	4,017	2,427	-	-	2,427
Federal Excise Duty	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Welfare Fund	1,643	671	452	2,766	1,643	635	415	2,693
Other payable	37	289	1	327	40	139	433	612
	6,592	1,970	1,421	9,983	4,956	1,735	1,767	8,458

5.1 PROVISION FOR FEDERAL EXCISE DUTY AND ADDITIONAL SALES TAX ARISING AS A RESULT OF IMPOSITION THEREOF

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan along-with Central Depository Company of Pakistan Limited with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2017.

However, since the appeal is pending in Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 2.470 million (June 30, 2017: Rs.2.47 million) Had the provision not been made, the Net Asset Value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund as at September 30, 2017 would have been higher by Rs. 1.60, Re 0.76 and 0.75 (June 30, 2017: Rs. 1.36, Re 0.73 & Re.0.74) per unit.

5.2 WORKERS' WELFARE FUND AND SINDH WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Voluntary Pension System (VPS) / pension funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher.

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding VPS from the definition of Industrial Establishment, and consequently VPS are no more liable to pay contribution to WWF with effect from July 1, 2015.

During the year ended June 30, 2017, the Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP.

Further, the Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that pension funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 2.76 million (June 30, 2017 Rs.2.69 million) in this condensed interim financial information. Had the provision not been made, net asset value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund at September 30, 2017 would have been higher by Rs. 2.36, Re.0.46 and Re 0.42 (June 30, 2017 Rs. 2.93, Re.0.53 and Re. 0.37) per unit.

6. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2017.

7. TAXATION

No provision for taxation for the period ended September 30, 2017, has been made in the view of exemption available under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

8. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Limited being the Pension Fund Manager, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, collective investment schemes managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager and the concerned persons. Transactions with connected persons are made in the normal course of business, at contracted rates and terms determined in accordance with market rates. Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively.

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in this condensed interim financial information are as follows:

8.1 Transactions during the period	Three months ended ended September 30, 2017				Three months ended ended September 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
HBL Asset Management Limited - Pension Fund Manager	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Management fee	<u>954</u>	<u>757</u>	<u>665</u>	<u>2,376</u>	<u>695</u>	<u>744</u>	<u>683</u>	<u>2,122</u>
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	<u>136</u>	<u>84</u>	<u>124</u>	<u>344</u>	<u>31</u>	<u>38</u>	<u>97</u>	<u>166</u>
Profit received on bank deposits	<u>131</u>	<u>46</u>	<u>114</u>	<u>291</u>	<u>23</u>	<u>34</u>	<u>81</u>	<u>138</u>
Central Depository Company of Pakistan Limited - Trustee	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Remuneration	<u>96</u>	<u>76</u>	<u>67</u>	<u>239</u>	<u>70</u>	<u>75</u>	<u>66</u>	<u>211</u>
8.2 Balances outstanding as at period end								
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	<u>269</u>	<u>212</u>	<u>190</u>	<u>671</u>	<u>305</u>	<u>219</u>	<u>188</u>	<u>712</u>
Sindh Sales Tax payable	<u>35</u>	<u>28</u>	<u>25</u>	<u>88</u>	<u>40</u>	<u>28</u>	<u>25</u>	<u>93</u>
Federal Excise Duty payable	<u>763</u>	<u>878</u>	<u>836</u>	<u>2,477</u>	<u>763</u>	<u>878</u>	<u>836</u>	<u>2,477</u>
Habib Bank Limited - Sponsor								
	----- Number -----				----- Number -----			
Units held	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>900,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>900,000</u>
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Amount of units held	<u>107,482</u>	<u>46,408</u>	<u>42,823</u>	<u>196,713</u>	<u>122,436</u>	<u>46,024</u>	<u>42,325</u>	<u>210,785</u>
Mark-up accrued on deposits with bank	<u>80</u>	<u>46</u>	<u>104</u>	<u>230</u>	<u>75</u>	<u>8</u>	<u>94</u>	<u>177</u>
Balance in savings account	<u>2,723</u>	<u>24,972</u>	<u>26,167</u>	<u>53,862</u>	<u>4,712</u>	<u>15,159</u>	<u>35,994</u>	<u>55,865</u>

Directors and Executives of the Pension Fund Manager and their relatives

Executives and their relatives****

	Number				Number			
Units held	<u>4,472</u>	<u>7,163</u>	<u>1,826</u>	<u>13,461</u>	<u>4,478</u>	<u>7,214</u>	<u>1,809</u>	<u>13,501</u>
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	<u>1,602</u>	<u>1,108</u>	<u>261</u>	<u>2,971</u>	<u>1,828</u>	<u>1,107</u>	<u>256</u>	<u>3,190</u>

	(Rupees in '000)				(Rupees in '000)			
Remuneration payable	<u>30</u>	<u>24</u>	<u>22</u>	<u>76</u>	<u>34</u>	<u>26</u>	<u>21</u>	<u>81</u>
Security deposit receivable	<u>100</u>	<u>100</u>	<u>-</u>	<u>200</u>	<u>100</u>	<u>100</u>	<u>-</u>	<u>200</u>

9. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- "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 2); and"

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

	Sep 30, 2017							
	Carrying Amount				Fair Value			
	Available-for-sale	Loans and receivables	Other Financial asset/Liabilities	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)							
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	4.1	207,204	-	207,204	207,204	-	-	207,204
Government securities								
- Treasury Bills		63,342	-	63,342	-	63,342	-	63,342
- Pakistan Investment Bonds		55	-	55	-	55	-	55
Term Finance Certificates and Sukuk Bonds - Unlisted		46,323	-	46,323	-	46,323	-	46,323
		<u>316,924</u>	<u>-</u>	<u>316,924</u>	<u>207,204</u>	<u>109,720</u>	<u>-</u>	<u>316,924</u>

		Sep 30, 2017						
		Carrying Amount				Fair Value		
Note	Available-for-sale	Loans and receivables	Other Financial asset/Liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial assets not measured at fair value								
9.1	-	173,142	-	173,142	-	-	-	-
Bank balances	-	173,142	-	173,142	-	-	-	-
Investments	-	-	-	-	-	-	-	-
- Unlisted equity securities	-	-	-	-	-	-	-	-
- Term Deposit Receipts (TDRs)	-	59,000	-	59,000	-	-	-	-
Dividend receivable and accrued mark-up	-	-	-	-	-	-	-	-
Placements	-	3,757	-	3,757	-	-	-	-
Advances, deposits, prepayments and other receivables	-	200	-	200	-	-	-	-
	-	236,099	-	232,342	-	-	-	-

		Sep 30, 2017						
		Carrying Amount				Fair Value		
Note	Available-for-sale	Loans and receivables	Other Financial asset/Liabilities	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
Financial liabilities not measured at fair value								
0.0	-	-	672	672	-	-	-	-
Payable to the Pension Fund Manager	-	-	672	672	-	-	-	-
Payable to the Trustee	-	-	67	67	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	47	47	-	-	-	-
Accrued expenses and other liabilities	-	-	4,740	4,740	-	-	-	-
Participants' Sub Funds	-	-	545,167	545,167	-	-	-	-
	-	-	550,693	550,693	-	-	-	-

		June 30, 2017						
		Carrying Amount				Fair Value		
Note	Available-for-sale	Loans and receivables	Held to maturity	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)							
On-balance sheet financial instruments								
Financial assets measured at fair value								
5	218,388	-	-	218,388	218,388	-	-	218,388
Investments	218,388	-	-	218,388	218,388	-	-	218,388
- Listed equity securities	218,388	-	-	218,388	218,388	-	-	218,388
Government securities	-	-	-	-	-	-	-	-
- Treasury Bills	37,791	-	-	37,791	-	37,791	-	37,791
- Pakistan Investment Bonds	101,502	-	-	101,502	-	101,502	-	101,502
Term Finance Certificates and Sukuk Bonds - Unlisted	34,273	-	-	34,273	-	34,273	-	34,273
	391,954	-	-	391,954	218,388	173,566	-	391,954

	June 30, 2017							
	Carrying Amount				Fair Value			
	Available-for-sale	Loans and receivables	Held to maturity	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in '000)							
Financial assets not measured at fair value	0.0							
Bank balances	-	130,508	-	130,508	-	-	-	-
Investments								
- Unlisted equity securities	-	-	-	-	-	-	-	-
- Term Deposit Receipts (TDRs)	-	59,000	-	59,000	-	-	-	-
Dividend receivable and accrued mark-up	-	2,208	-	2,208	-	-	-	-
Advances, deposits, prepayments and other receivables	-	200	-	200	-	-	-	-
	<u>-</u>	<u>191,916</u>	<u>-</u>	<u>191,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value	0.0							
Payable to the Pension Fund Manager	-	-	-	686	-	-	-	-
Payable to the Trustee	-	-	-	67	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	-	144	-	-	-	-
Accrued expenses and other liabilities	-	-	-	6,281	-	-	-	-
Participants' Sub Funds	-	-	-	481,931	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>489,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

9.2 Valuation techniques

For level 1 investments at fair value through other comprehensive income - available-for-sale investment in respect of equity securities, Fund uses daily quotation shares which are taken from Pakistan Stock Exchange Limited at reporting date.

9.3 Transfers during the year

There were no transfers between various levels of fair value hierarchy during the year.

10. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on **October 27, 2017**.

11. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

ISLAMIC PENSION FUND

**HBL ISLAMIC PENSION FUND
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017**

	September 30, 2017 (Un-Audited)			June 30, 2017 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
ASSETS								
Bank balances	14,262	65,701	67,173	147,136	22,082	63,363	79,212	164,667
Investments - net	172,468	37,391	3,000	212,859	186,834	30,577	219,411	219,411
Dividend receivable and accrued mark-up	857	519	251	1,627	812	481	257	1,550
Advances, deposits, prepayments and other receivables	100	100	-	200	100	2,500	-	2,600
Total assets	187,687	103,711	70,424	361,822	211,838	96,921	79,469	388,228
LIABILITIES								
Payable to HBL Asset Management Limited - Pension Fund Manager	253	141	96	490	296	132	109	537
Payable to the Central Depository Company of Pakistan Limited - Trustee	25	14	10	49	30	13	11	54
Payable to the Securities and Exchange Commission of Pakistan	15	8	6	29	66	30	23	119
Accrued expenses and other liabilities	4,538	864	816	6,218	4,016	804	746	5,566
Total liabilities	4,831	1,027	928	6,786	4,408	979	889	6,276
NET ASSETS	182,856	102,684	69,496	355,036	207,430	95,942	78,580	381,952
PARTICIPANTS' SUB-FUNDS (as per statement attached)	182,856	102,684	69,496	355,036	207,430	95,942	78,580	381,952
Contingencies and commitments								
Number of units in issue	473,783	740,754	511,157	1,725,694	470,012	696,065	583,084	1,749,161
Net asset value per unit	385,9483	138,6200	135,9581		441,3274	137,8331	134,7669	

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL ISLAMIC PENSION FUND
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended September 30, 2017			Three months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Income								
Dividend income	1,119	-	-	1,119	935	-	-	935
Profit on bank deposits	253	717	787	1,757	143	279	619	1,041
Mark-up / return on investments	(3,881)	73	225	(3,798)	13,968	1,056	545	1,601
Capital gain on sale of investments	(2,509)	1,464	1,022	(23)	15,046	1,335	1,164	17,545
	(554)	-	-	(554)	-	-	-	-
Unrealized (loss) / gain on investment classified as 'held for trading'	(3,063)	1,464	1,022	(577)	15,046	1,335	1,164	17,545

	Three months ended September 30, 2017			Three months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	813	423	320	1,556	753	375	276	1,404
Remuneration of Central Depository Company of Pakistan Limited - Trustee	81	42	32	155	76	68	28	172
Annual fee to the Securities and Exchange Commission of Pakistan	15	8	6	29	15	8	5	28
Auditors' remuneration	35	35	35	105	25	25	25	75
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	-	-	-
Settlement and bank charges	62	4	-	66	-	-	-	-
Other expenses	7	3	-	10	-	-	-	-
	1,013	515	393	1,921	869	476	334	1,679
Net (loss) / income from operating activities	(4,076)	949	629	(1,940)	14,177	859	830	15,866

6.2. Provision for Workers' Welfare Fund (18) (13) (31) - - - -

Net income for the period before taxation	(4,076)	931	616	(1,975)	14,177	859	830	15,866
Taxation	-	-	-	-	-	-	-	-
Net income for the period after taxation	(4,076)	931	616	(1,975)	14,177	859	830	15,866

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL ISLAMIC PENSION FUND
CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended September 30, 2017				Three months ended September 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Net income for the period after taxation	(4,076)	931	616	(2,529)	14,177	859	830	15,866
Other comprehensive income for the period								
<i>Items that may be reclassified subsequently to income statement:</i>								
Net unrealised (diminution) / appreciation in the market value of investments classified as available for sale	(21,404)	(365)	53	(21,716)	2,663	395	127	3,185
Total comprehensive income for the period	(25,480)	566	669	(24,245)	16,840	1,254	957	19,051

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL ISLAMIC PENSION FUND
CONDENSED INTERIM STATEMENT OF
MOVEMENT IN PARTICIPANTS' FUNDS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	These months ended September 30, 2017			These months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Net assets at beginning of the period	207,430	95,942	78,580	381,952	207,430	95,942	78,580	381,952
Amount received on issuance of units	21,813	18,912	8,194	48,919	13,207	6,243	11,808	31,258
Amount paid on redemption of units	(20,817)	(12,142)	(18,631)	(51,590)	(13,418)	(10,307)	(11,509)	(35,234)
Reallocation among Sub-Funds	(90)	(594)	684	-	(74)	18	56	-
Net income for the period	(4,076)	931	616	(2,529)	14,177	859	830	15,866
Net unrealised appreciation / (diminution) in the market value of securities classified as available for sale	(21,404)	(365)	53	(21,716)	2,663	395	127	3,185
Total comprehensive income for the period	(25,480)	566	669	(24,245)	16,840	1,254	957	19,051
Net assets at end of the period	182,856	102,684	69,496	355,036	223,985	93,150	79,892	397,027

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

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

Chief Financial Officer

Chief Executive Officer

Director

**HBL ISLAMIC PENSION FUND
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017**

	Three months ended September 30, 2017			Three months ended September 30, 2016				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period before taxation	(4,076)	931	616	(2,529)	14,177	859	830	15,866
Investments - net	(5,038)	(7,179)	(2,947)	(15,164)	31,473	(38,264)	(22,812)	(29,603)
Dividend and profit receive	(45)	(38)	6	(77)	(256)	(227)	6	-
Advances, deposits, prepayments and other receivables	-	2,400	-	2,400	-	2,400	-	2,400
	(5,083)	(4,817)	(2,941)	(12,764)	31,217	(36,091)	(22,806)	(27,203)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	(43)	9	(13)	(47)	(45)	(11)	(19)	(75)
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	1	(1)	(5)	(8)	(2)	(3)	(13)
Payable to Securities and Exchange Commission of Pakistan	(51)	(22)	(17)	(90)	(51)	(22)	(18)	(91)
Accrued expenses and other liabilities	522	60	70	652	5,085	64	(14)	5,135
	423	48	39	510	4,981	29	(54)	4,956
Dividend income received	(8,736)	(3,838)	(2,286)	(14,783)	50,375	(35,209)	(22,030)	(6,381)
Mark-up income received	-	-	-	-	-	-	-	-
Net cash (used in) / generated from operating activities	(8,736)	(3,838)	(2,286)	(14,783)	50,375	(35,209)	(22,030)	(6,381)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	21,813	18,912	8,194	48,919	13,207	6,243	11,808	31,258
Amount paid on redemption of units	(20,817)	(12,142)	(18,631)	(51,590)	(13,418)	(10,307)	(11,509)	(35,234)
Reallocation among Sub-Funds	(90)	(594)	684	-	(74)	18	56	-
Net cash generated from / (used in) financing activities	906	6,176	(9,753)	(2,671)	(885)	(4,046)	355	(3,976)
Net increase / (decrease) in cash and cash equivalents	(7,830)	2,338	(12,039)	(17,531)	50,090	(39,249)	(21,675)	(10,834)
Cash and cash equivalents at beginning of the period	22,092	63,363	79,412	164,667	22,092	63,363	79,212	164,667
Cash and cash equivalents at end of the period	14,262	65,701	67,373	147,136	72,182	24,114	57,537	153,833

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC PENSION FUND

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011.

HBL Asset Management Limited is the Pension Fund Manager of the fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited. The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi Pakistan.

The Fund is an unlisted pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.

The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Mufti Yahya Asim as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The Fund consists of three sub-funds namely, HBL Islamic Pension Fund Equity Sub-Fund ("Equity Sub-Fund"), HBL Islamic Pension Fund Debt Sub-Fund ("Debt Sub-Fund") and HBL Islamic Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The investment policy for each of the sub-funds are as follows:

- The Equity sub-fund consists of a minimum 90% of net assets invested in Shariah compliant listed equity securities. Investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Remaining assets of the Equity Sub-Fund may be invested in any government security having less than one year time to maturity, or be deposited with Islamic Commercial banks or Islamic window of a commercial bank having at least 'A' rating.
- The Debt Sub-Fund consist of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the assets in the sub-fund shall be invested in debt securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by the Federal Government and the commercial banks having 'A+' or higher rating provided that deposit with any one bank shall not exceed twenty (20%) of net assets. Investment in securities issued by provincial government, city government, government entity with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be made up to 10%, 5%, 5% and 5% of net assets of the sub-fund respectively.

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the sub-funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

The Pension Fund Manager also offers a HBL Monthly Islamic Pension Plan ("the Income Plan") to the participants of the Fund or any other approved pension fund, at the retirement date of participants. The Income Plan intends to provide investors a monthly income stream based on investment according to the investor's desired risk exposure, within the prescribed allocation limits.

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the sub-funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2 (positive outlook)' to the Pension Fund Manager.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting (IAS - 34) and provision of and directives issued under the Companies Ordinance, 1984, the provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules) and directives issued by the Securities and Exchange Commission

of Pakistan (SECP). Wherever the requirements of the VPS Rules or directives issued by the SECP differ with the requirements of IFRSs, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2017.

This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

"This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency."

3. Significant Accounting and Risk Management policies, Accounting Estimates Judgement and Changes Therein

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2017.

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

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2017."

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2017.

4. BANK BALANCES

	September 30, 2017 (Un-audited)				June 30, 2017 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Investments by category:								
Note	-----{Rupees in '000}-----				-----{Rupees in '000}-----			
Savings accounts	14,262	29,701	25,173	69,136	22,092	45,363	65,212	132,667
Term Deposit Receipts (TDRs)	-	36,000	42,000	78,000	-	18,000	14,000	32,000
	14,262	65,701	67,173	147,136	22,092	63,363	79,212	164,667

5. INVESTMENTS

Available for sale investments

Listed equity securities	5.1	137,406	-	-	137,406	188,834	-	-	188,834
Ijarah Sukuks	5.3	-	27,415	3,000	30,420	-	24,737	-	24,737
Sukuk certificates - Unlisted	5.4	-	9,976	-	9,976	-	5,840	-	5,840
		137,406	37,391	3,000	177,802	188,834	30,577	-	219,411
At Fair value through Profit or Loss									
Listed equity securities	5.2	35,062	-	-	35,062	-	-	-	-
Ijarah Sukuks		-	-	-	-	-	-	-	-
Sukuk certificates - Unlisted	5.4	-	-	2,122	2,122	-	-	-	-
		35,062	-	2,122	37,184	-	-	-	-
		172,468	37,391	5,122	214,986	188,834	30,577	-	219,411

5.1 Listed equity securities

5.1.1 Held by Equity Sub-Fund

Fully paid up ordinary shares of Rs. 10 each except Thal Limited, National Foods Limited and K-Electric Limited which have face value of Rs. 5 each, Rs. 5 each and Rs. 3.5 each respectively.

Name of the investee company	As at July 1, 2017	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2017	Market value as at September 30, 2017	Market value as a % of net assets of the sub-fund	Market value as a % of total investment of the sub-fund	% of paid-up capital of the investee company
	Number of shares					(Rupees in '000)		%	
Oil and Gas Exploration Companies									
Pakistan Petroleum Limited	50,000	-	-	-	50,000	8,735	4.78	6.36	0.003
Mari Petroleum Company Limited	5,500	-	-	-	5,500	8,278	4.53	6.02	0.005
Oil and Gas Development Company Limited	60,700	-	-	-	60,700	9,022	4.93	6.57	0.001
Pakistan Oilfields Limited	16,900	-	-	-	16,900	8,991	4.92	6.54	0.007
	133,100	-	-	-	133,100	35,026	19.16	25.49	
Oil and Gas Marketing Companies									
Pakistan State Oil Company Limited	12,100	-	-	-	12,100	5,345	2.92	3.89	0.004
Hasscol Petrol Limited	20,800	-	-	1,000	19,800	5,566	3.04	4.05	0.016
Shell Pakistan Limited	8,500	-	-	1,600	6,900	2,869	1.57	2.09	0.006
Sui Northern Gas Pipelines Limited	57,000	-	-	17,000	40,000	5,354	2.93	3.90	0.006
	98,400	-	-	19,600	78,800	19,134	10.46	13.93	
Chemical									
Engro Polymer & Chemicals Limited	134,000	-	-	-	134,000	4,477	2.45	3.26	0.020
ICI Pakistan Limited	4,800	-	-	2,800	2,000	1,827	1.00	1.33	0.002
Sitara Chemical Industries Limited	7,950	-	-	500	7,450	2,767	1.51	2.01	0.035
	146,750	-	-	3,300	143,450	9,071	4.960	6.600	
Engineering									
International Steels Ltd	49,000	-	-	5,000	44,000	5,330	2.91	3.88	0.010
	49,000	-	-	5,000	44,000	5,330	2.91	3.88	
Fertilizer									
Engro Corporation Limited	39,300	-	-	-	39,300	11,911	6.51	8.67	0.008
	39,300	-	-	-	39,300	11,911	6.51	8.67	
Cement									
Lucky Cement Limited	17,800	-	-	4,800	13,000	7,347	4.02	5.35	0.004
D.G. Khan Cement Company Limited	29,000	-	-	6,000	23,000	3,378	1.85	2.46	0.005
Cherat Cement Company Limited	49,100	-	-	48,300	800	96	0.05	0.07	-
Pioneer Cement Limited	56,300	-	-	21,600	34,700	3,121	1.71	2.27	0.015
	152,200	-	-	80,700	71,500	13,942	7.63	10.15	
Power Generation & Distribution									
The Hub Power Company Limited	98,100	-	-	-	98,100	10,969	6.00	7.98	0.008
	98,100	-	-	-	98,100	10,969	6.00	7.98	
Automobile Assembler									
Pak Suzuki Motor Company Limited	8,250	-	-	-	8,250	3,776	2.07	2.75	0.010
Milat Tractors Limited	4,600	-	-	1,000	3,600	4,484	2.46	3.27	0.008
	12,850	-	-	1,000	11,850	8,270	4.53	6.02	
Industrial Metals and Mining									
Amreli Steels Limited	500	-	-	-	500	51	0.03	0.04	-
Crescent Steels and Allied Products Limited	13,000	-	-	-	13,000	2,056	1.12	1.50	0.017
	13,500	-	-	-	13,500	2,107	1.15	1.54	
Personal Goods (Textile)									
Nishat Mills Limited	37,500	-	-	-	37,500	5,441	2.98	3.96	0.011
	37,500	-	-	-	37,500	5,441	2.98	3.96	
Cable And Electrical Goods									
Pak Electron Limited	86,000	-	-	37,500	48,500	3,683	2.01	2.68	0.010
	86,000	-	-	37,500	48,500	3,683	2.01	2.68	
Paper and Board									
Packages Limited	7,750	-	-	-	7,750	4,472	2.45	3.25	0.009
	7,750	-	-	-	7,750	4,472	2.45	3.25	
Pharmaceuticals									
Abbot Laboratories (Pakistan) Limited	6,000	-	-	500	5,500	4,340	2.37	3.16	0.006
The Searl Company Limited***	14,685	-	-	5,500	9,185	3,710	2.03	2.70	0.006
	20,685	-	-	6,000	14,685	8,050	4.40	5.86	
Total	895,135	-	-	153,100	742,035	137,406	75.15	100.01	
Carrying Cost as at September 30, 2017						144,566			

Held For trading

	As at July 1, 2017	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at September 30, 2017	Market value as at September 30, 2017	Market value as a % of net assets of the sub-fund	Market value as a % of total investment of the sub-fund	% of paid-up capital of the investee company
	Number of shares					(Rupees in '000)	%		
Engineering									
Amreli Steels Ltd	-	35,800	-	-	35,800	3,651	2.00	2.66	0.012
International Steels	-	7,700	-	-	7,700	933	0.51	0.68	0.002
	-	43,500	-	-	43,500	4,584	2.51	3.34	
Oil and Gas Exploration Companies									
Pakistan Petroleum Ltd	-	13,000	-	-	13,000	2,271	1.24	1.65	0.001
Oil & Gas Development Co.	-	12,300	-	-	12,300	1,828	1.00	1.33	-
	-	25,300	-	-	25,300	4,099	2.24	2.98	
Textile Composite									
Nishat Mills Ltd	-	25,600	-	-	25,600	3,715	2.03	2.70	0.007
Fertilizer									
Fauji Fertilizer Company Ltd	-	43,500	-	-	43,500	3,617	1.98	2.63	0.003
Engro Fertilizers Ltd.	-	147,500	-	-	147,500	9,279	5.07	6.75	0.011
	-	191,000	-	-	191,000	12,896	7.05	9.38	
Oil & Gas Marketing Companies									
Sui Northern Gas Pipelines Ltd	-	23,900	-	-	23,900	3,199	1.75	2.33	0.004
Pakistan State Oil Co. Ltd	-	4,300	-	-	4,300	4,900	1.04	1.38	0.002
	-	28,200	-	-	28,200	5,099	2.79	3.71	
Power Generation & Distribution									
Hub Power Company Ltd	-	29,600	-	-	29,600	3,310	1.81	2.41	0.003
Cement									
Kohat Cement Co. Ltd	-	8,000	-	-	8,000	1,200	0.66	0.87	0.005
Cable & Electrical Goods									
Pak Elektron Ltd	-	2,100	-	-	2,100	159	0.09	0.12	-
	-	353,300	-	-	353,300	35,062	19.18	25.51	

net as at September 30, 2017

35,615

5.3 Government of Pakistan - Ijarah Sukuks

5.3.1 Held by Debt Sub-Fund

GoP Ijarah Note	Issue date	Face value			Amortised cost as at September 30, 2017	Market value as at September 30, 2017	Market value as a percentage of	
		As at July 1, 2017	Purchases during the period	Sales / matured during the			Total investments of the sub-fund	Net assets of the sub-fund
GoP Ijarah Sukuk - having face value of Rs. 100 each		As at July 1, 2017	Purchases during the period	Sales / matured during the	As at September 30, 2017	Market value as at September 30, 2017	Total investments of the sub-fund	Net assets of the sub-fund
		(Rupees in '000)					%	
GoP Ijarah Sukuk	December 18, 2015	13,000	-	-	13,000	13,096	35.02	12.75
GoP Ijarah Sukuk	February 15, 2016	6,200	-	-	6,200	6,283	16.80	6.12
GoP Ijarah Sukuk	March 29, 2016	5,000	-	-	5,000	5,036	13.47	4.90
GoP Ijarah Sukuk	June 30, 2017	3,000	-	-	3,000	3,000	8.02	2.92
		27,200	-	-	27,200	27,436	73.3100	26.6900

5.3.2 Held by Money Market Sub-Fund

GoP Ijarah Note	Issue date	Face value			Amortized cost as at September 30, 2017	Market value as at September 30, 2017	Market value as a percentage of	
		As at July 1, 2017	Purchases during the period	Sales / matured during the			Total investments of the sub-fund	Net assets of the sub-fund
GoP Ijarah Sukuk - having face value of Rs. 100 each		As at July 1, 2017	Purchases during the period	Sales / matured during the	As at September 30, 2017	Market value as at September 30, 2017	Total investments of the sub-fund	Net assets of the sub-fund
		(Rupees in '000)					%	
GoP Ijarah Sukuk	June 30, 2017	3,000	-	-	3,000	3,000	100.00	2.92
		3,000	25,000	25,000	3,000	3,000	100.00	2.92

5.4 Sukuk certificates - Unlisted

5.4.1 Held by Debt Sub-Fund

Name of the Investee company	Number of certificates				Amortized cost as at September 30, 2017	Market / Carrying value as at September 30, 2017	Market value as a percentage of	
	As at July 1, 2017	Purchases during the period	Sales / matured during	As at September 30,			Total investments of the	Net assets of the
					(Rupees in '000)		%	
Commercial Banks								
Al-baraka Bank	2	-	-	2	2,000	2,000	5.35	1.95
Fertilizers								
Fatima Sukuk	457	-	-	457	2,097	2,122	5.68	2.07
AGP Sukuk	24	-	-	24	2,280	2,280	6.10	2.22
Multitiilities								
K-Electric	400	-	-	400	1901	1,984	5.31	1.93
WAPDA Third Sukuk Company Limited	474	-	-	474	1,524	1,590	4.25	1.55
Total	1,357	-	-	1,357	9,802	9,976	26.690	9.720

5.4.2 Held by Money Market Sub-Fund

Name of the Investee company	Number of certificates				Amortized cost as at September 30, 2017	Market / Carrying value as at September 30, 2017	Market value as a percentage of	
	As at July 1, 2017	Purchases during the period	Sales / matured during the period	As at September 30, 2017			Total investments of the sub-fund	Net assets of the sub-fund
					(Rupees in '000)		%	
Engro Fertilizers Limited								
WAPDA Third Sukuk Company Limited	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

6. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	September 30, 2017 (Un-audited)				June 30, 2017 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Auditors' remuneration	118	118	118	354	83	83	83	249
Payable against purchase of investments	1,433	-	-	1,433	945	-	-	945
Federal Excise Duty	6.1 879	488	383	1,750	879	488	383	1,750
Provision for Sindh Workers' Welfare Fund	6.2 1,952	213	158	2,323	1,952	195	145	2,292
Other payable	156	45	157	358	157	38	135	330
	4,538	864	816	6,218	4,016	804	746	5,566

6.1 PROVISION FOR FEDERAL EXCISE DUTY AND ADDITIONAL SALES TAX ARISING AS A RESULT OF IMPOSITION THEREOF

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16 percent on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the Mutual Fund Association of Pakistan along-with Central Depository Company of Pakistan Limited with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2017.

However, since the appeal is pending in Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has made a provision on FED on remuneration of Management Company, aggregating to Rs. 1.70 million (June 30, 2017: Rs.1.70 million). Had the provision not been made, the Net Asset Value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund as at september 30, 2017 would have been higher by Rs. 1.86, Re 0.66 and 0.75 (June 30, 2017: Rs. 1.87, Re 0.70 & Re.0.66) per unit.

6.2 PROVISION FOR WORKERS' WELFARE FUND

The Finance Act 2008 introduced an amendment to the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance). As a result of this amendment it may be construed that all Voluntary Pension System (VPS) / pension funds whose income exceeds Rs. 0.5 million in a tax year, have been brought within the scope of the WWF Ordinance, thus rendering them liable to pay contribution to WWF at the rate of two percent of their accounting or taxable income, whichever is higher.

The Finance Act 2015 incorporated an amendment in WWF Ordinance by excluding VPS from the definition of Industrial Establishment, and consequently VPS are no more liable to pay contribution to WWF with effect from July 1, 2015.

During the year ended June 30, 2017, the Supreme Court of Pakistan (SCP) passed a judgment on November 10, 2016, deciding that amendments made through the Finance Acts through which WWF was levied are unlawful, as such are not in nature of tax; therefore, it could not be introduced through the money bill. However, the Federal Board of Revenue has filed a review petition in the SCP against the said judgment, which is pending for hearing in the SCP.

Further, the Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that pension funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

In the wake of the aforesaid developments, as an abundant caution, the Fund has recognised provision for SWWF amounting to Rs. 2.29 million (June 30, 2017 Rs.2.32 million) in this condensed interim financial information. Had the provision not been made, net asset value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund at September 30, 2017 would have been higher by Rs. 4.12, Re.0.29 and Re.0.28 (June 30, 2017 Rs. 4.15, Re.0.28 and Re. 0.25) per unit.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2017.

8. TAXATION

No provision for taxation for the period ended September 30, 2016, has been made in the view of exemption available under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

9. TRANSACTIONS WITH CONNECTED PERSONS

"Connected persons include HBL Asset Management Limited being the Pension Fund Manager, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited being the Trustee of the Fund, collective investment schemes managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager and the concerned persons. Transactions with connected persons are made in the normal course of business, at contracted rates and terms determined in accordance with market rates. Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the VPS Rules and the Trust Deed respectively."

Details of the transactions with connected persons and balances with them, if not disclosed elsewhere in this condensed interim financial information are as follows:

9.1 Transactions during the period

	Three months ended September 30, 2017				Three months ended September 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration	813	423	320	1,556	753	375	276	1,404
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	135	23	30	188	54	128	173	355
Profit received on bank deposits	107	34	69	210	107	34	69	310

Directors and Executives of the Pension Fund Manager and their relatives	Three months ended September 30, 2017				Three months ended September 30, 2016			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Directors	------(Rupees in '000)-----				------(Rupees in '000)-----			
Issue of units	15,945	35,503	9,048	60,496	-	-	-	-
Amount of units issued	6,139	4,911	1,228	12,277	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee	------(Rupees in '000)-----				------(Rupees in '000)-----			
Remuneration	81	42	32	155	76	68	28	172
Directors of connected persons	-----Number-----				-----Number-----			
Reallocation of units	24	(80)	15	(41)	24	(80)	15	(41)
Amount of units Reallocated	8	(10)	2	-	8	(10)	2	-

9.2 Balances outstanding as at period / year end

	September 30, 2017 (Un-audited)				June 30, 2017 (Audited)			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	222	107	80	409	262	117	96	475
Sindh Sales Tax payable	29	14	10	53	34	15	13	62
Federal Excise Duty payable	879	488	383	1,750	879	488	383	1,750
Habib Bank Limited - Sponsor	-----Number-----				-----Number-----			
Units held	300,000	300,000	300,000	900,000	300,000	300,000	300,000	900,000
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Amount of units held	115,784	41,586	40,787	198,157	132,398	41,350	40,431	214,179
Profit accrued on deposits with bank	76	16	6	98	48	27	45	120
Balance in savings account	5,610	547	3,790	9,947	12,693	10,320	17,201	40,214

**Directors and Executives of the
Pension Fund Manager and
their relatives**

Directors

	Number				Number			
Units held	15,945	35,503	9,048	60,496	4,891	5,989	-	10,880
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	6,154	4,921	1,230	12,306	2,159	825	-	2,984

**Central Depository Company of
Pakistan Limited - Trustee**

	(Rupees in '000)				(Rupees in '000)			
Remuneration payable	22	11	8	41	30,2655	13	11	54
Security deposit receivable	100	100	-	200	100	100	-	200

Directors of connected persons

	Number				Number			
Units held	-	-	-	-	-	-	-	-
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	-	-	-	-	-	-	-	-

10. FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

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

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

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

		Sep 30, 2017						
		Carrying amount			Fair Value			
Note	Available-for-sale	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----								
On-balance sheet financial instruments								
Financial assets measured at fair value								
	Investments:							
5	- Listed equity securities	172,468	-	-	172,468	172,468	-	172,468
	- Government of Pakistan - Ijarah Sukuks	30,420	-	-	30,420	-	30,420	30,420
	- Sukuk certificates	12,098	-	-	12,098	-	12,098	12,098
		214,986	-	-	214,986	172,468	42,518	-
								214,986
Financial assets not measured at fair value								
23.1	Bank balances	-	147,136	-	147,136	-	-	-
	Dividend receivable and accrued mark-up	-	1,627	-	1,627	-	-	-
	Advances, deposits and other receivables	-	200	-	200	-	-	-
		-	148,963	-	148,963	-	-	-
Financial liabilities not measured at fair value								
23.1	Payable to the Pension Fund Manager	-	-	434	434	-	-	-
	Payable to the Trustee	-	-	43	43	-	-	-
	Payable to the Securities and Exchange Commission of Pakistan	-	-	29	29	-	-	-
	Accrued expenses and other liabilities	-	-	2,145	2,145	-	-	-
	Participants' sub-funds	-	-	355,036	355,036	-	-	-
		-	-	357,687	357,687	-	-	-
		Carrying amount			Fair Value			
		Available-for-sale	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3
		----- (Rupees in '000) -----						
		June 30, 2017						
On-balance sheet financial instruments								
Financial assets measured at fair value								
	Investments:							
5	- Listed equity securities	188,834	-	-	188,834	188,834	-	188,834
	- Government of Pakistan - Ijarah Sukuks	24,737	-	-	24,737	-	24,737	24,737
	- Sukuk certificates - Unlisted	5,840	-	-	5,840	-	5,840	5,840
		219,411	-	-	219,411	188,834	30,577	-
								219,411
Financial assets not measured at fair value								
23.1	Bank balances	-	164,667	-	164,667	-	-	-
	Investments:							
	-Unlisted Equity Securities	-	-	-	-	-	-	-
	Dividend receivable and accrued mark-up	-	1,550	-	1,550	-	-	-
	Advances, deposits and other receivables	-	200	-	200	-	-	-
		-	166,417	-	166,417	-	-	-
Financial liabilities not measured at fair value								
23.1	Payable to the Pension Fund Manager	-	-	537	537	-	-	-
	Payable to the Trustee	-	-	54	54	-	-	-
	Payable to the Securities and Exchange Commission of Pakistan	-	-	119	119	-	-	-
	Accrued expenses and other liabilities	-	-	5,566	5,566	-	-	-
	Participants' sub-funds	-	-	381,952	381,952	-	-	-
		-	-	388,228	388,228	-	-	-

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

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 27, 2017.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer








Director










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HBL

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