



**HBL** Islamic Pension Fund

**Half Yearly Report**  
**December 31, 2014**  
(Un-audited)

## TABLE OF CONTENTS

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### ***HBL ISLAMIC PENSION FUNDS***

<i>Corporate Information</i>	<i>02</i>
<i>Fund Information</i>	<i>03</i>
<i>Auditors' Report on review of Condensed Interim Financial Information to the Unit Holders</i>	<i>04</i>
<i>Condensed Interim Statement of Assets and Liabilities</i>	<i>05</i>
<i>Condensed Interim Income Statement</i>	<i>06-07</i>
<i>Condensed Interim Statement of Comprehensive Income</i>	<i>08-09</i>
<i>Condensed Interim Statement of Movement In Participants' Funds</i>	<i>10</i>
<i>Condensed Interim Cash Flow Statement</i>	<i>11</i>
<i>Condensed Interim Notes to the Financial Statements</i>	<i>12-22</i>

# CORPORATE INFORMATION

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## Management Company

HBL Asset Management Limited.

## Board of Directors

Chairman	Mr. Towfiq Habib Chinoy	(Independent Non-Executive Director)
Directors	Mr. Rehan N. Shaikh	(Executive Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Salim Amlani	(Non-Executive Director)
	Ms. Sima Kamil	(Non-Executive Director)
	Ms. Sadia Khan	(Independent Non-Executive Director)

## Audit Committee

Chairman	Mr. Salim Amlani	(Non-Executive Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)

## Human Resource Committee

Chairperson	Ms. Sima Kamil	(Non-Executive Director)
Members	Ms. Sadia Khan	(Independent Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Rehan N. Shaikh	(Executive Director)

## Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Salim Amlani	(Non-Executive Director)
	Mr. Salahuddin Manzoor	(Non-Executive Director)
	Mr. Rehan N. Shaikh	(Executive Director)

## Company Secretary & Chief Financial Officer

Mr. Noman Qurban

## External Auditors

M. Yousuf Adil Saleem & Co. Chartered Accountants  
Cavish Court, A-35, Block 7 & 8,  
KCHSU, Sharae Faisal  
Karachi-75350 Pakistan

## Internal Auditors

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

## Trustee

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

## Legal Advisors

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

## Website

[www.hblasset.com](http://www.hblasset.com)

## Head Office

24-C, Khayaban-e-Hafiz, Phase VI, D.H.A., Karachi.

## Registered Office

24-C, Khayaban-e-Hafiz, Phase VI, D.H.A., Karachi.

## **FUND INFORMATION**

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### **NAME OF FUND**

**HBL Islamic Pension Fund**

### **NAME OF AUDITORS**

#### **External Auditors**

**M. Yousuf Adil Saleem & Co., Chartered Accountants.**

#### **Internal Auditors**

**A.F. Ferguson & Co., Chartered Accountants.**

### **NAME OF BANKERS**

**Habib Bank Limited**

**BankIslami Pakistan Limited**

**Faysal Bank Limited**

**Meezan Bank Limited**

**Habib Metropolitan Bank Limited**

**Standard Chartered Bank (Pakistan) Limited**

**Dubai Islamic Bank Pakistan Limited.**

## **HBL PENSION FUNDS**

### **Auditors' Report on review of Condensed Interim Financial Information to the Unit Holders**

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#### **Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL ISLAMIC PENSION FUND** ("the Fund") as at December 31, 2014 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub funds, condensed interim cash flow statement and notes to the accounts for the six months period ended December 31, 2014 (here-in-after referred to as the "interim financial information"). **HBL Asset Management Limited** ("Pension Fund Manager") is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub funds and condensed interim cash flow statement for the three months ended December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months ended December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### **Other Matter**

The condensed interim financial information of the Fund for the six months period ended December 31, 2013 and the financial statements of the Fund for the year ended June 30, 2014 were reviewed and audited by another firm of Chartered Accountants whose reports dated February 17, 2014 and October 30, 2014 expressed an unqualified conclusion and opinion thereon respectively.

#### **Chartered Accountants**

##### **Engagement Partner:**

Nadeem Yousuf Adil

**Date:** February 27, 2015

Place: Karachi

**HBL ISLAMIC PENSION FUND**  
**Condensed Interim Statement of Assets and Liabilities**  
*As At December 31, 2014*

	December 31, 2014 (Un-Audited)				June 30, 2014 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	(Rupees in '000)				(Rupees in '000)				
<b>Assets</b>									
Bank balances	4	7,071	12,928	14,166	34,165	8,927	14,479	15,238	38,644
Investments	5	126,080	54,610	41,354	222,044	104,874	48,680	39,503	193,057
Dividend and profit receivable	6	22	255	360	637	169	217	399	785
Preliminary expenses and floatation costs	7	-	-	-	-	5	5	5	15
Advances, deposits, prepayments and other receivables	8	100	100	-	200	5,469	100	-	5,569
<b>Total assets</b>		<b>133,273</b>	<b>67,893</b>	<b>55,880</b>	<b>257,046</b>	<b>119,444</b>	<b>63,481</b>	<b>55,145</b>	<b>238,070</b>
<b>Liabilities</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	9	196	99	84	379	161	84	78	323
Payable to Central Depository Company of Pakistan Limited - Trustee		16	8	7	31	15	1	-	16
Payable to the Securities and Exchange Commission of Pakistan		20	11	9	40	31	19	16	66
Accrued expenses and other liabilities	10	1,510	492	423	2,425	4,114	374	315	4,803
<b>Total liabilities</b>		<b>1,742</b>	<b>610</b>	<b>523</b>	<b>2,875</b>	<b>4,321</b>	<b>478</b>	<b>409</b>	<b>5,208</b>
<b>Net assets</b>		<b>131,531</b>	<b>67,283</b>	<b>55,357</b>	<b>254,171</b>	<b>115,123</b>	<b>63,003</b>	<b>54,736</b>	<b>232,862</b>
<b>Participants' sub-funds (as per statement attached)</b>		<b>131,531</b>	<b>67,283</b>	<b>55,357</b>	<b>254,171</b>	<b>115,123</b>	<b>63,003</b>	<b>54,736</b>	<b>232,862</b>
<b>Contingencies and commitments</b>									
Number of units in issue	13	439,217	547,190	456,366	1,442,773	442,284	520,412	457,919	1,420,615
Net assets value per unit	Rupees	299.4680	122.9623	121.2962		260.2925	121.0647	119.5334	

The annexed notes from 1 to 18 form an integral part of the condensed interim financial information.

**For HBL Asset Management Limited  
(Pension Fund Manager)**

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

**HBL ISLAMIC PENSION FUND**  
**Condensed Interim Income Statement (Un-audited)**  
For the six months ended December 31, 2014

Note	For the six months ended December 31, 2014 (Un-audited)				For the six months ended December 31, 2013 (Un-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) -----							
<b>Income</b>								
Dividend income	1,911	-	-	1,911	2,751	-	-	2,751
Profit on bank deposits	298	312	457	1,067	400	316	272	988
Mark-up / return on investments	-	2,722	2,064	4,786	-	2,076	1,668	3,744
Capital gain on sale of investments	6,243	-	-	6,243	16,048	-	6	16,054
	<b>8,452</b>	<b>3,034</b>	<b>2,521</b>	<b>14,007</b>	<b>19,199</b>	<b>2,392</b>	<b>1,946</b>	<b>23,537</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,193	664	559	2,416	828	584	494	1,906
Remuneration of Central Depository Company of Pakistan Limited - Trustee	89	50	42	181	63	47	41	151
Annual fee to the Securities and Exchange Commission of Pakistan	20	11	9	40	14	10	8	32
Auditors' remuneration	65	66	66	197	47	47	47	141
Amortisation of preliminary expenses and floatation costs	5	5	5	15	6	6	6	18
Settlement and bank charges	11	7	2	20	16	6	2	24
Other expenses	22	-	-	22	54	-	-	54
	<b>1,405</b>	<b>803</b>	<b>683</b>	<b>2,891</b>	<b>1,028</b>	<b>700</b>	<b>598</b>	<b>2,326</b>
<b>Net income from operating activities</b>	<b>7,047</b>	<b>2,231</b>	<b>1,838</b>	<b>11,116</b>	<b>18,171</b>	<b>1,692</b>	<b>1,348</b>	<b>21,211</b>
Provision for Workers' Welfare Fund	14	(144)	(46)	(228)	(366)	(35)	(28)	(429)
<b>Net income for the period before taxation</b>	<b>6,903</b>	<b>2,185</b>	<b>1,800</b>	<b>10,888</b>	<b>17,805</b>	<b>1,657</b>	<b>1,320</b>	<b>20,782</b>
Taxation	15	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>6,903</b>	<b>2,185</b>	<b>1,800</b>	<b>10,888</b>	<b>17,805</b>	<b>1,657</b>	<b>1,320</b>	<b>20,782</b>

The annexed notes from 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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

\_\_\_\_\_  
Director

**HBL ISLAMIC PENSION FUND**  
**Condensed Interim Income Statement (Un-audited)**  
For the three months ended December 31, 2014

	For the three months ended December 31, 2014 (Un-audited)				For the three months ended December 31, 2013 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
<b>Income</b>								
Dividend income	1,298	-	-	1,298	1,419	-	-	1,419
Profit on bank deposits	90	159	220	469	244	237	229	710
Mark-up / return on investments	-	1,373	1,026	2,399	-	908	536	1,444
Capital gain on sale of investments	4,168	-	-	4,168	10,302	-	-	10,302
	<b>5,556</b>	<b>1,532</b>	<b>1,246</b>	<b>8,334</b>	<b>11,965</b>	<b>1,145</b>	<b>765</b>	<b>13,875</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	633	335	278	1,246	433	299	246	978
Remuneration of Central Depository Company of Pakistan Limited - Trustee	47	25	21	93	38	22	16	76
Annual fee to the Securities and Exchange Commission of Pakistan	11	6	4	21	7	5	4	16
Auditors' remuneration	41	42	42	125	23	23	23	69
Amortisation of preliminary expenses and floatation costs	2	2	2	6	3	3	3	9
Settlement and bank charges	5	3	1	9	15	6	2	23
Other expenses	22	-	-	22	14	-	-	14
	<b>761</b>	<b>413</b>	<b>348</b>	<b>1,522</b>	<b>533</b>	<b>358</b>	<b>294</b>	<b>1,185</b>
<b>Net income from operating activities</b>	<b>4,795</b>	<b>1,119</b>	<b>898</b>	<b>6,812</b>	<b>11,432</b>	<b>787</b>	<b>471</b>	<b>12,690</b>
Provision for Workers' Welfare Fund	(98)	(23)	(18)	(139)	(230)	(16)	(10)	(256)
	<b>4,697</b>	<b>1,096</b>	<b>880</b>	<b>6,673</b>	<b>11,202</b>	<b>771</b>	<b>461</b>	<b>12,434</b>
<b>Net income for the period before taxation</b>								
Taxation	-	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>4,697</b>	<b>1,096</b>	<b>880</b>	<b>6,673</b>	<b>11,202</b>	<b>771</b>	<b>461</b>	<b>12,434</b>

The annexed notes from 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director



## HBL ISLAMIC PENSION FUND

### Condensed Interim Statement of Comprehensive Income (Un-audited)

For the six months ended December 31, 2014

	For the six months ended December 31, 2014 (Un-audited)				For the six months ended December 31, 2013 (Un-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)			
Net income for the period	6,903	2,185	1,800	10,888	17,805	1,657	1,320	20,782
<b>Other comprehensive income for the period</b>								
<i>Items to be reclassified to income statement in subsequent periods:</i>								
Net unrealised (diminution) / appreciation in the market value of securities classified as available for sale	10,980	(1,160)	(985)	8,835	(3,840)	218	181	(3,441)
<b>Total comprehensive income for the period</b>	<b>17,883</b>	<b>1,025</b>	<b>815</b>	<b>19,723</b>	<b>13,965</b>	<b>1,875</b>	<b>1,501</b>	<b>17,341</b>

The annexed notes from 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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

\_\_\_\_\_  
Director

## HBL ISLAMIC PENSION FUND

### Condensed Interim Statement of Comprehensive Income (Un-audited)

For the three months ended December 31, 2014

	For the three months ended December 31, 2014 (Un-audited)				For the three months ended December 31, 2013 (Un-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)			
Net income for the period	4,697	1,096	880	6,673	11,202	771	461	12,434
<b>Other comprehensive income for the period</b>								
<i>Items to be reclassified to income statement in subsequent periods:</i>								
Net unrealised appreciation / (diminution) in the market value of securities classified as available for sale	13,546	(504)	(461)	12,581	5,017	198	204	5,419
<b>Total comprehensive income for the period</b>	<b>18,243</b>	<b>592</b>	<b>419</b>	<b>19,254</b>	<b>16,219</b>	<b>969</b>	<b>665</b>	<b>17,853</b>

The annexed notes from 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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

\_\_\_\_\_  
Director

## HBL ISLAMIC PENSION FUND

### Condensed Interim Statement of Movement In Participants' Funds (Un-audited)

For the six months ended December 31, 2014

	For the six months ended December 31, 2014 (Un-audited)				For the six months ended December 31, 2013 (Un-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)			
Net assets at beginning of the period	115,123	63,003	54,736	232,862	68,802	54,248	55,509	178,559
Amount received on issuance of units	7,593	7,073	3,972	18,638	3,613	1,684	96	5,393
Amount paid on redemption of units	(7,205)	(5,452)	(4,395)	(17,052)	(98)	(26)	-	(124)
Reallocation among funds	(1,863)	1,634	229	-	7,667	1,519	(9,186)	-
Net income for the period	6,903	2,185	1,800	10,888	17,805	1,657	1,320	20,782
Net unrealised appreciation / (diminution) in the market value of securities classified as available for sale	10,980	(1,160)	(985)	8,835	(3,840)	218	181	(3,441)
Total comprehensive income for the period	17,883	1,025	815	19,723	13,965	1,875	1,501	17,341
Net assets at end of the period	131,531	67,283	55,357	254,171	93,949	59,300	47,920	201,169

The annexed notes from 1 to 18 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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

\_\_\_\_\_  
Director

**HBL ISLAMIC PENSION FUND**  
**Condensed Interim Statement of Cash Flows (Un-audited)**  
For the six months ended December 31, 2014

Note	For the six months ended December 31, 2014 (Un-audited)				For the six months ended December 31, 2013 (Un-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)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income for the period	6,903	2,185	1,800	10,888	17,805	1,657	1,320	20,782
<b>Adjustments for non-cash items</b>								
Amortisation of preliminary expenses and floatation costs	5	5	5	15	6	6	6	18
	6,908	2,190	1,805	10,903	17,811	1,663	1,326	20,800
<b>(Increase) / decrease in assets</b>								
Investments - net	(10,226)	(7,090)	(2,836)	(20,152)	(29,835)	17,157	42,247	29,569
Dividend and profit receivable	147	(38)	39	148	(6)	98	333	425
Advances, deposits, prepayments and other receivables	5,369	-	-	5,369	-	(2,370)	-	(2,370)
	(4,710)	(7,128)	(2,797)	(14,635)	(29,841)	14,885	42,580	27,624
<b>Increase / (decrease) in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	35	15	6	56	(98)	(130)	(42)	(270)
Payable to Central Depository Company of Pakistan Limited - Trustee	1	7	7	15	(1)	-	-	(1)
Payable to Securities and Exchange Commission of Pakistan	(11)	(8)	(7)	(26)	(4)	(6)	(9)	(19)
Accrued expenses and other liabilities	(2,604)	118	108	(2,378)	4,173	81	65	4,319
	(2,579)	132	114	(2,333)	4,070	(55)	14	4,029
Net cash (used in) / generated from operating activities	(381)	(4,806)	(878)	(6,065)	(7,960)	16,493	43,920	52,453
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Amount received on issue of units	7,593	7,073	3,972	18,638	3,613	1,684	96	5,393
Amount paid on redemption of units	(7,205)	(5,452)	(4,395)	(17,052)	(98)	(26)	-	(124)
Reallocation among funds	(1,863)	1,634	229	-	7,667	1,519	(9,186)	-
Net (decrease) / increase in cash and cash equivalents	(1,856)	(1,551)	(1,072)	(4,479)	3,222	19,670	34,830	57,722
Cash and cash equivalents at beginning of the period	8,927	14,479	15,238	38,644	8,095	3,549	898	12,542
Cash and cash equivalents at end of the period	7,071	12,928	14,166	34,165	11,317	23,219	35,728	70,264

The annexed notes from 1 to 16 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Executive

Director

## HBL ISLAMIC PENSION FUND

### Notes To The Condensed Interim Financial Statements (Un-audited)

For the six months ended December 31, 2014

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

HBL Islamic Pension Fund ("the Fund") was established under a Trust Deed, dated July 27, 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.

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 24-C, Khayaban-e-Hafiz, Phase VI, D.H.A, 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 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 shall 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. Upto 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+' 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% 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.

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2-' to the Pension Fund Manager while the Fund is currently not rated.

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

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

This condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the 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 IFRS, 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 published audited financial statements of the Fund for the year ended June 30, 2014.

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 has been presented in Pak Rupees, which is the functional and presentation currency of the Fund.

### **2.4 Critical accounting estimates and judgments**

The presentation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this Condensed interim financial information, significant judgments made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the period ended June 30, 2014.

### **2.5 Financial Risk Management**

The Fund's financial risk management objectives and policies are consistent with those objectives and policies which were disclosed in the financial statements of the Fund for the year ended June 30, 2014.

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Fund for the year ended June 30, 2014.

#### 4. BANK BALANCES

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	-----Rupees-----				-----Rupees-----			
Current account	-	-	-	-	-	-	-	-
Savings accounts	7,071	12,928	14,166	34,165	8,927	14,479	15,238	38,644
	<b>7,071</b>	<b>12,928</b>	<b>14,166</b>	<b>34,165</b>	<b>8,927</b>	<b>14,479</b>	<b>15,238</b>	<b>38,644</b>

4.1 These carry a rate of return ranging from 5% to 9.25% (2014: 6.95% to 9%) per annum.

#### 5. INVESTMENTS

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	-----Rupees-----				-----Rupees-----			
<b>Investments by category</b>								
<b>Available for sale investments</b>								
Listed equity securities	126,080	-	-	126,080	104,874	-	-	104,874
Government of Pakistan								
- Ijarah Sukuk	-	52,068	41,354	93,422	-	46,170	39,503	85,673
Sukuk certificates - Unlisted	-	2,542	-	2,542	-	2,510	-	2,510
	<b>126,080</b>	<b>54,610</b>	<b>41,354</b>	<b>222,044</b>	<b>104,874</b>	<b>48,680</b>	<b>39,503</b>	<b>193,057</b>

#### 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 01, 2014	Purchases during the period	Bonus / Right during the period	Sales during the period	As at December 31, 2014	Cost of holdings as at December 31, 2014	Market value as at December 31, 2014	Market value as a percentage of total investments	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee
<b>Oil and Gas</b>										
	.....Number of shares.....				.....(Rupees in '000).....					
Attock Petroleum Limited	5,640	-	-	-	5,640	2,012	3,043	2.41%	2.31%	0.01%
Mari Petroleum Limited *	29,500	14,000	2,800	43,500	2,800	930	1,331	1.06%	1.01%	0.00%
Oil and Gas Development Company Limited	20,400	18,000	-	38,400	-	-	-	-	-	-
Pakistan Petroleum Limited	15,100	30,000	-	-	45,100	10,022	7,961	6.31%	6.05%	0.00%
Pakistan State Oil Company Limited	34,322	25,000	-	34,322	25,000	9,074	8,948	7.10%	6.80%	0.01%
	104,962	87,000	2,800	116,222	78,540	22,038	21,283	16.88%	16.17%	
<b>Chemicals</b>										
Fauji Fertilizer Bin Qasim Limited	-	130,000	-	130,000	-	-	-	-	-	-
ICI Pakistan Limited	17,200	-	-	-	17,200	4,594	7,954	6.31%	6.05%	0.02%
	17,200	130,000	-	130,000	17,200	4,594	7,954	0.06	6.05%	
<b>Construction and Materials</b>										
Kohat Cement Company Limited	65,500	20,000	-	-	85,500	8,734	16,319	12.94%	12.41%	0.00%
Lucky Cement Limited	20,700	7,000	-	-	27,700	9,096	13,858	10.99%	10.54%	0.01%
	86,200	27,000	-	-	113,200	17,830	30,177	23.93%	22.95%	
<b>Automobile and Parts</b>										
Pak Suzuki Motor Company Limited	42,700	-	-	-	42,700	6,721	15,847	12.57%	12.05%	0.05%
	42,700	-	-	-	42,700	6,721	15,847	12.57%	12.05%	
<b>Food Producers</b>										
Engro Foods Limited	4,500	-	-	4,500	-	-	-	-	-	-
National Foods Limited **	16,375	-	16,375	-	32,750	6,582	12,975	10.29%	9.86%	0.03%
	20,875	-	16,375	4,500	32,750	6,582	12,975	10.3%	9.9%	
<b>Engineering</b>										
Millat Tractors Limited	-	10,000	-	-	10,000	6,291	6,469	5.13%	4.92%	0.02%
	-	10,000	-	-	10,000	6,291	6,469	5.13%	4.92%	
<b>General Industries</b>										
Thal Limited	-	33,000	-	-	33,000	9,069	8,878	7.04%	6.75%	0.04%
	-	33,000	-	-	33,000	9,069	8,878	7.04%	6.75%	
<b>Electricity</b>										
Hub Power Company Limited	82,133	100,000	-	-	182,133	9,832	14,272	11.32%	10.85%	0.02%
K-Electric Limited	850,000	-	-	850,000	-	-	-	-	-	-
	932,133	100,000	-	850,000	182,133	9,832	14,272	11.32%	10.85%	
<b>Commercial Banks</b>										
Meezan Bank Limited	175,000	-	-	-	175,000	6,821	8,225	6.52%	6.25%	0.02%
	175,000	-	-	-	175,000	6,821	8,225	6.52%	6.25%	
	<b>1,379,070</b>	<b>387,000</b>	<b>19,175</b>	<b>1,100,722</b>	<b>684,523</b>	<b>89,778</b>	<b>126,080</b>	<b>99.69%</b>	<b>95.89%</b>	



\* This represents gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to pension funds under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement and not yet deposited on CDC account of department of Income tax. Management is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis.

\*\* This represents additional shares allotted to the Fund as a result of sub division of ordinary shares of investee company. Each ordinary share having a face value of Rs. 10 each of the investee company was splitted in two ordinary shares having face value of Rs. 5 each.

## 5.2 Government of Pakistan - Ijarah Sukuk

### 5.2.1 Held by Debt sub-fund

Note	Issue date	Face value			Amortised cost as at December 31, 2014	Market value as at December 31, 2014	Market value as a percentage of			
		As at July 1, 2014	Purchases during the period	Sales / matured during the period			As at December 31, 2014	Total investments	Net assets of sub-fund	
----- (Rupees in '000) -----										
GoP Ijarah Sukuk	5.2.1.1	December 26, 2011	5,000	-	-	5,000	5,007	9.17%	7.44%	
GoP Ijarah Sukuk	5.2.1.3	December 26, 2011	-	7,000	-	7,089	7,009	12.83%	10.42%	
GoP Ijarah Sukuk	5.2.1.2	April 30, 2012	4,000	-	-	4,000	36,047	66.01%	53.58%	
GoP Ijarah Sukuk	5.2.1.3	June 28, 2012	36,000	-	-	36,000	4,120	7.33%	5.95%	
			<b>45,000</b>	<b>7,000</b>	<b>-</b>	<b>52,000</b>	<b>52,818</b>	<b>52,068</b>	<b>95.34%</b>	<b>77.39%</b>

5.2.1.1 These carry mark-up at the rate of 9.49% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

5.2.1.2 These carry mark-up at the rate of 9.49% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

5.2.1.3 These carry mark-up at the rate of 9.98% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

5.2.1.4 These carry mark-up at the rate of 9.47% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

### 5.2.2 Held by Money Market sub-fund

Note	Issue date	Face value			Amortised cost as at December 31, 2014	Market value as at December 31, 2014	Market value as a percentage of			
		As at July 1, 2014	Purchases during the period	Sales / matured during the period			As at December 31, 2014	Total investments	Net assets of sub-fund	
----- (Rupees in '000) -----										
GoP Ijarah Sukuk	5.2.2.1	December 26, 2011	-	2,800	-	2,800	2,804	6.78%	5.07%	
GoP Ijarah Sukuk	5.2.2.2	April 30, 2012	13,500	-	-	13,500	13,518	32.69%	24.42%	
GoP Ijarah Sukuk	5.2.2.3	June 28, 2012	25,000	-	-	25,000	25,032	60.53%	45.22%	
			<b>38,500</b>	<b>2,800</b>	<b>-</b>	<b>41,300</b>	<b>42,199</b>	<b>41,354</b>	<b>100%</b>	<b>74.71%</b>

5.2.2.1 These carry mark-up at the rate of 9.49% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

5.2.2.2 These carry mark-up at the rate of 9.98% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

5.2.2.3 These carry mark-up at the rate of 9.47% per annum receivable semi-annually in arrears, maturing in Novemebr 2015.

5.3 Sukuk certificates - Unlisted

5.3.1 Held by Debt Sub-Fund

Name of the Investee company	Issue date	Number of certificates			Market value as at June 30, 2014	Market value as a percentage of		
		As at July 1, 2014	Purchases during the period	Sales / matured during the period		As at December 31, 2014	Total investments	Net assets of sub-fund
(Rupees in '000)								
Multiutilities								
WAPDA	October 14, 2013	474	-	-	474	2,542	4.65%	3.78%
Cost of investment as at December 31, 2014					2,370			

5.3.2 Significant terms and conditions of Sukuk certificates outstanding as at December 31, 2014 are:

Name of security	Remaining principal (per certificate) (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date
WAPDA	5,000	6 month KIBOR + 1%	14-Oct-13	14-Oct-21

6. DIVIDEND AND PROFIT RECEIVABLE

	December 31, 2014 (Un-audited)				June 30, 2014 (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)								
Dividend receivable	-	-	-	-	127	-	-	127
Mark-up accrued on deposits with banks	22	71	97	190	42	56	150	248
Mark-up accrued on sukuk	-	57	-	57	-	57	-	57
Mark-up accrued on investment in GoP Ijara Sukuk	-	127	263	390	-	104	249	353
	22	255	360	637	169	217	399	785

7. PRELIMINARY EXPENSES AND FLOATATION COSTS

	Note	December 31, 2014 (Un-audited)				June 30, 2014 (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)									
Opening balance		5	5	5	15	16	16	16	48
Less: Amortization for the period	7.1	5	5	5	15	11	11	11	33
		-	-	-	-	5	5	5	15

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

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

	December 31, 2014 (Un-audited)				June 30, 2014 (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) -----			
Security deposit with Central Depository Company of Pakistan Limited	100	100	-	200	100	100	-	200
Advance against subscription towards issue of equity shares	-	-	-	-	5,369	-	-	5,369
	<b>100</b>	<b>100</b>	<b>-</b>	<b>200</b>	<b>5,469</b>	<b>100</b>	<b>-</b>	<b>5,569</b>

9. **PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER**

	Note	December 31, 2014 (Un-audited)				June 30, 2014 (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) -----			
Management fee	9.1	167	84	72	323	136	72	66	274
Sindh Sales Tax	9.2	29	15	12	56	25	12	12	49
		<b>196</b>	<b>99</b>	<b>84</b>	<b>379</b>	<b>161</b>	<b>84</b>	<b>78</b>	<b>323</b>

9.1 As per rule 11 of the VPS Rules, the Pension Fund Manager is allowed to charge maximum annual management fee of 1.5% of the average of the values of the net assets of each of the Sub-Fund calculated during the period. Accordingly, the management fee has been accrued at 1.5% of the average annual net assets of each of the Sub-Fund.

9.2 This represents amount payable in respect of Sindh Sales Tax at the rate of 15% (June 30, 2014: 16%) on the services provided by the Pension Fund Manager as required by Sindh Sales Tax on Services Act, 2011.

10. **ACCRUED EXPENSES AND OTHER LIABILITIES**

	Note	December 31, 2014 (Un-audited)				June 30, 2014 (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		50	50	52	152	57	56	56	169
Payable to broker		-	2	2	4	2,907	7	-	2,914
Federal Excise Duty	10.1	344	204	168	716	201	124	101	426
Provision for Workers' Welfare Fund	14	904	233	197	1,334	760	187	158	1,105
Other payable		212	3	4	219	189	-	-	189
		<b>1,510</b>	<b>492</b>	<b>423</b>	<b>2,425</b>	<b>4,114</b>	<b>374</b>	<b>315</b>	<b>4,803</b>

**10.1** As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager has been applied effective June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law. In prior year, the Honourable High Court Sindh in a Constitutional petition relating to levy of FED on Mutual Funds has granted a stay order for the recovery of FED. As a matter of abundant caution, the Pension Fund Manager has made a provision with effect from June 13, 2013, aggregating to Rs. 344,083, Rs. 203,616 and Rs. 168,013 for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made Value (NAV) per unit of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at December 31, 2014 would have been higher by Rs. 0.7834, Rs. 0.3721 and Rs. 0.3682 respectively.

## 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2014.

## 12. CONTRIBUTION TABLE

Contributions received are as follows:

	For the six months ended December 31, 2014 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)
From: Individuals	30,411	7,593	58,160	7,073	33,160	3,972	121,731	18,638
	<b>30,411</b>	<b>7,593</b>	<b>58,160</b>	<b>7,073</b>	<b>33,160</b>	<b>3,972</b>	<b>121,731</b>	<b>18,638</b>

	For the year ended June 30, 2014 (Audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)	Units	(Rupees in '000)
From: Individuals	64,150	13,741	144,970	17,878	140,708	16,711	349,828	48,330
	<b>64,150</b>	<b>13,741</b>	<b>144,970</b>	<b>17,878</b>	<b>140,708</b>	<b>16,711</b>	<b>349,828</b>	<b>48,330</b>

## 13. NUMBER OF UNITS IN ISSUE

	December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Opening units in issue	442,284	520,412	457,919	1,420,615	381,699	479,656	492,597	1,353,952
Units issued during the period	30,411	58,160	33,160	121,731	64,150	144,970	140,708	349,828
Units redeemed during the period	(25,827)	(44,878)	(36,625)	(107,330)	(47,073)	(117,571)	(84,538)	(249,182)
Reallocation during the period	(7,651)	13,496	1,912	7,757	43,508	13,357	(90,848)	(33,983)
<b>Total units in issue at the end of the period</b>	<b>439,217</b>	<b>547,190</b>	<b>456,366</b>	<b>1,442,773</b>	<b>442,284</b>	<b>520,412</b>	<b>457,919</b>	<b>1,420,615</b>

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## 14 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 Collective Investment Schemes / mutual funds (CISs) 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. In this regard, a constitutional petition has been filed by certain CISs through their trustees in the Honourable High Court of Sindh (SHC), challenging the applicability of WWF to the CISs, which is pending adjudication.

Subsequently, the Ministry of Labour and Manpower (the Ministry) vide its letter dated 15 July 2010 clarified that "Mutual Fund(s) is a product which is being managed / sold by the Asset Management Companies which are liable to contribute towards Workers Welfare Fund under Section-4 of WWF Ordinance 1971. However, the income on Mutual Fund(s), the product being sold, is exempted under the law *ibid*".

Further, the Secretary (Income Tax Policy) Federal Board of Revenue (FBR) issued a letter dated October 06, 2010 to the Members (Domestic Operation) North and South FBR. In the letter, reference was made to the clarification issued by the Ministry of Labour and Manpower stating that mutual funds are a product and their income are exempted under the law *ibid*. The Secretary (Income Tax Policy) Federal Board of Revenue directed that the Ministry's letter may be circulated amongst field formations for necessary action. Following the issuance of FBR Letter, show cause notice which had been issued by taxation office to certain mutual funds for payment of levy under WWF were withdrawn. However, the Secretary (Income Tax Policy) Federal Board of Revenue vide letter January 04, 2011 has cancelled ab-initio clarificatory letter dated October 06, 2010 on applicability of WWF on mutual funds and issued show cause notices to certain mutual funds for collecting WWF. In respect of such show cause notices, certain mutual funds have been granted stay by Honourable High Court of Sindh on the basis of the pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honourable Lahore High Court in a Constitutional Petition relating to the amendments brought in WWF Ordinance through the Finance Act 2006, and the Finance Act, 2008, has declared the said amendments as unlawful and unconstitutional. The Management Company is hopeful that the decision of the Honourable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honourable High Court of Sindh.

During the year ended June 30, 2013, the Larger Bench of the Sindh High Court (SHC) issued a judgment in response to a petition in another similar case in which it is held that the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 do not suffer from any constitutional or legal infirmity.

During the year ended June 30, 2014, the Honourable Peshawar High Court on a petition filed by certain aggrieved parties (other than the mutual funds) have adjudicated that the amendments introduced in the Workers Welfare Fund Ordinance, 1971 through the Finance Acts of 1996 and 2009 lacks the essential mandate to be introduced and passed through the money bill under the Constitution of Pakistan and hence have been declared as *ultra vires* the Constitution.

However, without prejudice to the above, the Pension Fund Manager, as a matter of abundant caution, has decided to continue to maintain the provision for WWF aggregating to Rs. 904,139, Rs. 233,376 and Rs. 196,614 for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund (including Rs. 228,525 for the current period). Had the provision not been made, the Net Asset Value (NAV) per unit of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at December 31, 2014 would have been higher by Rs. 2.0585, Rs. 0.4265 and Rs. 0.4308 respectively.

## 15 TAXATION

No provision for taxation for the period ended December 31, 2014 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.

## 16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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 Management Company, directors and officers of the Management Company and directors of connected persons.

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

Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

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

### 16.1 Transactions during the period

	Six months ended December 31, 2014 (Un-audited)				Six months ended December 31, 2013 (Un-audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	-----Rupees-----				-----Rupees-----				
<b>HBL Asset Management Limited - Pension Fund Manager</b>									
Management remuneration	1,193	664	559	2,416	828	584	494	1,906	
<b>Habib Bank Limited - Sponsor</b>									
Bank charges paid	1	2	1	4	4	3	2	9	
Profit on bank deposits earned	290	158	132	580	338	261	227	826	
Profit received on bank deposits	268	113	96	477	323	217	158	698	
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>									
<b>Executives and their relatives</b>									
Issue of units	Number	86	4,111	6,171	10,368	418	171	-	589
Amount of units issued		22	498	738	1,258	79	20	-	99
Redemption of units	Number	-	3,923	5,955	9,878	537	222	-	759
Amount of units redeemed		-	476	714	1,190	98	26	-	124
Reallocation of units	Number	1,601	(848)	(2,567)	(1,814)	(5)	10	-	5
Amount of units reallocated		410	(102)	(308)	-	(1)	1	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>									
Remuneration		89	50	42	181	63	47	41	151
Central Depository System Charges		9	3	-	12	7	3	-	10
<b>Directors of connected persons</b>									
Redemption of units	Number	336	1,786	4,700	6,822	-	-	-	-
Amount of units redeemed		90	218	565	873	-	-	-	-
Reallocation of units	Number	(817)	678	1,108	969	45,043	3,104	(82,793)	(34,646)
Amount of units reallocated		(718)	82	133	(503)	9,031	353	(9,384)	-

16.2 Balances outstanding as at period end

		December 31, 2014 (Un-audited)				June 30, 2014 (Audited)			
		Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
		-----Rupees-----				-----Rupees-----			
<b>HBL Asset Management Limited -</b>									
<b>Pension Fund Manager</b>									
Management fee payable		167	84	72	323	136	72	66	274
Sindh Sales Tax payable		29	15	12	56	25	12	12	49
Federal Excise Duty Payable		344	204	168	716	201	124	101	426
<b>Habib Bank Limited - Sponsor</b>									
Units held	Number	300,000	300,000	300,000	900,000	300,000	300,000	300,000	900,000
Value of units held		89,840	36,889	36,389	163,118	78,088	36,319	35,860	150,267
Profit receivable on bank deposits		22	45	36	103	42	25	107	174
Balance in savings account		4,835	12,861	14,119	31,815	8,736	8,380	5,643	22,759
<b>Directors and Executives of the</b>									
<b>Pension Fund Manager and</b>									
<b>their relatives</b>									
<b>Executives and their relatives</b>									
Units held	Number	1,687	995	159	2,841	-	1,655	2,510	4,165
Value of units held		505	122	19	646	-	431	300	731
<b>Central Depository Company of</b>									
<b>Pakistan Limited - Trustee</b>									
Remuneration payable		16	8	7	31	15	1	-	16
Security deposit receivable		100	100	-	200	100	100	-	200
<b>Directors of connected persons</b>									
Units held	Number	27,086	46,167	92,129	165,382	28,239	47,275	95,721	171,235
Value of units held		8,111	5,677	11,175	24,963	7,350	5,723	11,442	24,515

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**17. 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 February 27, 2015.

**18. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

For HBL Asset Management Limited  
(Pension Fund Manager)

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

\_\_\_\_\_  
Director



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