

HBL

**ASSET
MANAGEMENT**

HBL Islamic Pension Fund

**Quarterly Report
March 31, 2015
(Un-audited)**

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HBL ISLAMIC PENSION FUNDS

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CORPORATE INFORMATION

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

Human Resource Committee

Chair Person	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 Buliding 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

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

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 ISLAMIC PENSION FUND
Condensed Interim Statement of Assets and Liabilities
As At March 31, 2015

	March 31, 2015 (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) -----				
Assets									
Bank balances	4	8,757	4,140	6,601	19,498	8,927	14,479	15,238	38,644
Investments	5	121,038	65,566	49,941	236,545	104,874	48,680	39,503	193,057
Dividend and profit receivable	6	1,187	1,925	1,724	4,836	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
Total assets		131,082	71,731	58,266	261,079	119,444	63,481	55,145	238,070
Liabilities									
Payable to HBL Asset Management Limited - Pension Fund Manager	9	212	104	85	401	161	84	78	323
Payable to Central Depository Company of Pakistan Limited - Trustee		18	9	7	34	15	1	-	16
Payable to the Securities and Exchange Commission of Pakistan		31	17	14	62	31	19	16	66
Accrued expenses and other liabilities	10	1,954	583	498	3,035	4,114	374	315	4,803
Total liabilities		2,215	713	604	3,532	4,321	478	409	5,208
Net assets		128,867	71,018	57,662	257,547	115,123	63,003	54,736	232,862
Participants' sub-funds (as per statement attached)		128,867	71,018	57,662	257,547	115,123	63,003	54,736	232,862
Contingencies and commitments									
Number of units in issue	13	442,900	565,775	464,979	1,473,654	442,284	520,412	457,919	1,420,615
Net assets value per unit	Rupees	290.9600	125.5235	124.0127		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 Nine Months Ended March 31, 2015

Note	For the nine months ended March 31, 2015				For the nine months ended March 31, 2014			
	Equity	Debt	Money	Total	Equity	Debt	Money	Total
	Sub-Fund	Sub-Fund	Market		Sub-Fund	Sub-Fund	Market	
	(Rupees in '000)				(Rupees in '000)			
Income								
Dividend income	2,726	-	-	2,726	3,382	-	-	3,382
Profit on bank deposits	385	450	655	1,490	562	773	985	2,320
Mark-up / return on investments	-	4,178	3,168	7,346	-	3,114	1,968	5,082
Capital gain on sale of investments	22,719	-	-	22,719	20,630	-	6	20,636
	25,830	4,628	3,823	34,281	24,574	3,887	2,959	31,420
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,876	1,008	839	3,723	1,332	880	726	2,938
Remuneration of Central Depository Company of Pakistan Limited - Trustee	141	76	63	280	103	68	57	228
Annual fee to the Securities and Exchange Commission of Pakistan	31	17	14	62	22	15	12	49
Auditors' remuneration	90	90	90	270	70	70	70	210
Amortisation of preliminary expenses and floatation costs	5	5	5	15	8	8	8	24
Settlement and bank charges	11	7	3	21	25	11	5	41
Other expenses	25	-	-	25	77	164	-	241
	2,179	1,203	1,014	4,396	1,637	1,216	878	3,731
Net income from operating activities	23,651	3,425	2,809	29,885	22,937	2,671	2,081	27,689
Provision for Workers' Welfare Fund	14	(478)	(71)	(59)	(608)	(463)	(56)	(563)
Net income for the period before taxation	23,173	3,354	2,750	29,277	22,474	2,615	2,037	27,126
Taxation	15	-	-	-	-	-	-	-
Net income for the period after taxation	23,173	3,354	2,750	29,277	22,474	2,615	2,037	27,126

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 Nine Months Ended March 31, 2015

	For the three months ended March 31, 2015				For the three months ended March 31, 2014			
	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)			
Income								
Dividend income	815	-	-	815	631	-	-	631
Profit on bank deposits	87	138	198	423	162	457	713	1,332
Mark-up / return on investments	-	1,456	1,104	2,560	-	1,038	300	1,338
Capital gain on sale of investments	16,476	-	-	16,476	4,582	-	-	4,582
	17,378	1,594	1,302	20,274	5,375	1,495	1,013	7,883
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	683	344	280	1,307	504	296	232	1,032
Remuneration of Central Depository Company of Pakistan Limited - Trustee	52	26	21	99	40	21	16	77
Annual fee to the Securities and Exchange Commission of Pakistan	11	6	5	22	8	5	4	17
Auditors' remuneration	25	24	24	73	23	23	23	69
Amortisation of preliminary expenses and floatation costs	-	-	-	-	2	2	2	6
Settlement and bank charges	-	-	1	1	9	5	3	17
Other expenses	3	-	-	3	23	164	-	187
	774	400	331	1,505	609	516	280	1,405
Net income from operating activities	16,604	1,194	971	18,769	4,766	979	733	6,478
Provision for Workers' Welfare Fund	14 (334)	(25)	(21)	(380)	(97)	(21)	(16)	(134)
	16,270	1,169	950	18,389	4,669	958	717	6,344
Net income for the period before taxation								
Taxation	15 -	-	-	-	-	-	-	-
Net income for the period after taxation	16,270	1,169	950	18,389	4,669	958	717	6,344

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 Nine Months Ended March 31, 2015

	For the nine months ended March 31, 2015				For the nine months ended March 31, 2014			
	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Net income for the period	23,173	3,354	2,750	29,277	22,474	2,615	2,037	27,126
Other comprehensive income for the period								
<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	(9,103)	(792)	(676)	(10,571)	453	455	199	1,107
Total comprehensive income for the period	14,070	2,562	2,074	18,706	22,927	3,070	2,236	28,233

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 Nine Months Ended March 31, 2015

	For the three months ended March 31, 2015				For the three months ended March 31, 2014			
	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	16,270	1,169	950	18,389	4,669	958	717	6,344
Other comprehensive income for the period								
<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	(20,083)	368	309	(19,406)	4,293	237	68	4,598
Total comprehensive income for the period	(3,813)	1,537	1,259	(1,017)	8,962	1,195	785	10,942

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 Nine Months Ended March 31, 2015

	For the nine months ended March 31, 2015				For the nine months ended March 31, 2014 (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	8,496	10,510	5,872	24,878	4,422	2,278	267	6,967
Amount paid on redemption of units	(8,019)	(6,075)	(4,805)	(18,899)	(100)	(26)	-	(126)
Reallocation among funds	(803)	1,018	(215)	-	9,318	1,007	(10,325)	-
Net income for the period	23,173	3,354	2,750	29,277	22,474	2,615	2,037	27,126
Net unrealised (diminution) / appreciation in the market value of securities classified as available for sale	(9,103)	(792)	(676)	(10,571)	453	455	199	1,107
Total comprehensive income for the period	14,070	2,562	2,074	18,706	22,927	3,070	2,236	28,233
Net assets at end of the period	128,867	71,018	57,662	257,547	105,369	60,577	47,687	213,633

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 Nine Months Ended March 31, 2015

	For the nine months ended March 31, 2015 (Un-audited)				For the nine months ended March 31, 2014 (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)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period	23,173	3,354	2,750	29,277	22,474	2,615	2,037	27,126
Adjustments for non-cash items								
Amortisation of preliminary expenses and floatation costs	5	5	5	15	8	8	8	24
	<u>23,178</u>	<u>3,359</u>	<u>2,755</u>	<u>29,292</u>	<u>22,482</u>	<u>2,623</u>	<u>2,045</u>	<u>27,150</u>
(Increase) / decrease in assets								
Investments - net	(25,267)	(17,678)	(11,114)	(54,059)	(34,462)	(4,254)	28,595	(10,121)
Dividend and profit receivable	(1,018)	(1,708)	(1,325)	(4,051)	(300)	(700)	(64)	(1,064)
Advances, deposits, prepayments and other receivables	5,369	-	-	5,369	-	-	-	-
	<u>(20,916)</u>	<u>(19,386)</u>	<u>(12,439)</u>	<u>(52,741)</u>	<u>(34,762)</u>	<u>(4,954)</u>	<u>28,531</u>	<u>(11,185)</u>
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	51	20	7	78	(79)	(127)	(41)	(247)
Payable to Central Depository Company of Pakistan Limited - Trustee	3	8	7	18	4	-	(2)	2
Payable to Securities and Exchange Commission of Pakistan	-	(2)	(2)	(4)	4	(1)	(5)	(2)
Accrued expenses and other liabilities	(2,160)	209	183	(1,768)	(183)	143	111	71
	<u>(2,106)</u>	<u>235</u>	<u>195</u>	<u>(1,676)</u>	<u>(254)</u>	<u>15</u>	<u>63</u>	<u>(176)</u>
Net cash (used in) / generated from operating activities	156	(15,792)	(9,489)	(25,125)	(12,534)	(2,316)	30,639	15,789
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	8,496	10,510	5,872	24,878	4,422	2,278	267	6,967
Amount paid on redemption of units	(8,019)	(6,075)	(4,805)	(18,899)	(100)	(26)	-	(126)
Reallocation among funds	(803)	1,018	(215)	-	9,318	1,007	(10,325)	-
Net (decrease) / increase in cash and cash equivalents	(170)	(10,339)	(8,637)	(19,146)	1,106	943	20,581	22,630
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	8,757	4,140	6,601	19,498	9,201	4,492	21,479	35,172

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 Nine Months Ended March 31, 2015

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% 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.

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

	Note	March 31, 2015 (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-----			
Savings accounts	4.1	8,757	4,140	6,601	19,498	8,927	14,479	15,238	38,644
		8,757	4,140	6,601	19,498	8,927	14,479	15,238	38,644

4.1 These carry a rate of return ranging from 3% to 8% (2014: 6.95% to 9%) per annum.

5. INVESTMENTS

	Note	March 31, 2015 (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-----			
Investments by category									
Available for sale investments									
Listed equity securities	5.1	121,038	-	-	121,038	104,874	-	-	104,874
Government of Pakistan - Ijarah Sukuk	5.2	-	63,157	49,941	113,098	-	46,170	39,503	85,673
Sukuk certificates - Unlisted	5.3	-	2,409	-	2,409	-	2,510	-	2,510
		121,038	65,566	49,941	236,545	104,874	48,680	39,503	193,057

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 March 31, 2015	Cost of holdings as at March 31, 2015	Market value as at March 31, 2015	Market value as a percentage of total investments	Market value as a percentage of net assets of	Par value as a percentage of issued capital
	Number of shares.....			(Rupees in '000).....				
Oil and Gas										
Attock Petroleum Limited	5,640	3,500	-	-	9,140	3,906	4,752	3.93%	3.69%	0.01%
Mari Petroleum Limited *	29,500	14,000	2,800	43,500	2,800	930	1,444	1.19%	1.12%	0.00%
Oil and Gas Development Company Limited	20,400	18,000	-	38,400	-	-	-	-	-	-
Pakistan Petroleum Limited	15,100	30,000	-	45,100	-	-	-	0.00%	0.00%	0.00%
Pakistan State Oil Company Limited	34,322	30,400	-	34,322	30,400	11,216	10,470	8.65%	8.12%	0.01%
	104,962	95,900	2,800	161,322	42,340	16,052	16,666	13.77%	12.93%	
Chemicals										
Fauji Fertilizer Bin Qasim Limited	-	130,000	-	130,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	50,000	-	-	50,000	6,914	6,662	5.50%	0.05	-
Engro Corporation Limited	-	48,000	-	5,000	43,000	11,748	11,047	9.13%	8.57%	0.00%
ICI Pakistan Limited	17,200	-	-	-	17,200	4,594	6,616	5.47%	5.13%	0.02%
	17,200	228,000	-	135,000	110,200	23,256	24,325	20.10%	18.70%	
Construction and Materials										
Kohat Cement Company Limited	65,500	20,000	-	85,500	-	-	-	0.00%	0.00%	0.00%
Chearat Cement Company Limited	-	130,000	-	130,000	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	-	74,500	-	-	74,500	9,577	8,329	6.88%	6.46%	0.00%
Maple Leaf Cement Factory Limited	-	126,000	-	-	126,000	7,031	6,053	5.00%	4.70%	0.01%
Lucky Cement Limited	20,700	7,000	-	1,700	26,000	8,538	11,594	9.58%	9.00%	0.01%
	86,200	357,500	-	217,200	226,500	25,146	25,976	21.46%	20.16%	

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 March 31, 2015	Cost of holdings as at March 31, 2015	Market value as at March 31, 2015	Market value as a percentage of total investments	Market value as a percentage of net assets of	Par value as a percentage of issued capital
Number of shares.....			(Rupees in '000).....					
Automobile and Parts										
Pak Suzuki Motor Company Limited	42,700	-	-	21,200	21,500	7,044	6,598	5.45%	5.12%	0.03%
Insus Motor Company Limited	-	6,500	-	-	6,500	3,384	7,450	6.16%	5.78%	0.01%
	42,700	6,500	-	21,200	28,000	10,428	14,048	11.61%	10.90%	
Food Producers										
Engro Foods Limited	4,500	-	-	4,500	-	-	-	-	-	-
National Foods Limited **	16,375	-	16,375	-	32,750	6,582	12,563	10.38%	9.75%	0.03%
	20,875	-	16,375	4,500	32,750	6,582	12,563	10.380%	9.8%	
Engineering										
Millat Tractors Limited	-	10,000	-	10,000	-	-	-	0.00%	0.00%	0.00%
	-	10,000	-	10,000	-	-	-	0.00%	0.00%	
General Industries										
Thal Limited	-	33,000	-	-	33,000	9,069	8,426	6.96%	6.54%	0.04%
Synthetic Products Enterprises L	-	150,000	-	-	150,000	6,909	7,368	6.09%	5.72%	0.19%
	-	183,000	-	-	183,000	15,978	15,794	13.05%	12.26%	
Electricity										
Hub Power Company Limited	82,133	100,000	-	45,500	136,633	7,376	11,666	9.64%	9.05%	0.01%
K-Electric Limited	850,000	-	-	850,000	-	-	-	-	-	-
	932,133	100,000	-	895,500	136,633	7,376	11,666	9.64%	9.05%	
Commercial Banks										
Meezan Bank Limited	175,000	-	-	175,000	-	-	-	0.00%	0.00%	0.00%
	175,000	-	-	175,000	-	-	-	0.00%	0.00%	
	1,379,070	980,900	19,175	1,619,722	759,423	104,818	121,038	100.00%	93.80%	

* 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					Market value as a percentage of		
		As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at March 31, 2015	Amortised cost as at March 31, 2015	Market value as at March 31, 2015	Total investments	Net assets of sub-fund
----- (Rupees in '000) -----									
GoP Ijarah Suk5.2.1.1	December 26, 2011	5,000	17,600	-	22,600	22,779	22,801	34.78%	32.11%
GoP Ijarah Suk5.2.1.2	April 30, 2012	4,000	-	-	4,000	4,120	4,036	6.16%	5.68%
GoP Ijarah Suk5.2.1.3	June 28, 2012	36,000	-	-	36,000	36,609	36,320	55.39%	51.14%
		45,000	17,600	-	62,600	63,508	63,157	96.33%	88.93%

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

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

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

5.2.2 Held by Money Market sub-fund

Note	Issue date	Face value					Market value as a percentage of		
		As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at March 31, 2015	Amortised cost as at March 31, 2015	Market value as at March 31, 2015	Total investments	Net assets of sub-fund
----- (Rupees in '000) -----									
GoP Ijarah Suk5.2.2.1	December 26, 2011	-	11,000	-	11,000	11,113	11,098	22.22%	19.25%
GoP Ijarah Suk5.2.2.2	April 30, 2012	13,500	-	-	13,500	13,902	13,620	27.27%	23.62%
GoP Ijarah Suk5.2.2.3	June 28, 2012	25,000	-	-	25,000	25,461	25,223	50.51%	43.74%
		38,500	11,000	-	49,500	50,476	49,941	100%	86.61%

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

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

5.2.2.3 These carry mark-up at the rate of 9.47% per annum receivable semi-annually in arrears, maturing in Novemembr 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 a percentage of		
		As at July 1, 2014	Purchases during the period	Sales / matured during the period	As at March 31, 2015	Market value as at March 31, 2014	Total investments	Net assets of sub-fund	
----- (Rupees in '000) -----									
Multitilities									
WAPDA	October 14, 2013	474	-	-	474	2,409	3.67%	3.39%	
Cost of investment as at December 31, 2014						2,370			

5.3.2 Significant terms and conditions of Sukuk certificates outstanding as at March 31, 2015 are:

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

- 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

	March 31, 2015 (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)			
Auditors' remuneration	75	75	75	225	57	56	56	169
Payable to broker	-	5	4	9	2,907	7	-	2,914
Federal Excise Duty	10.1 427	245	202	874	201	124	101	426
Provision for Workers' Welfare Fund	14 1,238	258	217	1,713	760	187	158	1,105
Other payable	214	-	-	214	189	-	-	189
	1,954	583	498	3,035	4,114	374	315	4,803

- 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. 427,000, Rs. 245,000 and Rs. 202,000 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 March 31, 2015 would have been higher by Rs. 0.9641, Rs. 0.4330 and Rs. 0.4344 respectively.

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2015.

12. CONTRIBUTION TABLE

Contributions received are as follows:

	For the nine months ended March 31, 2015 (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	33,394	8,496	86,742	10,510	45,401	5,872	165,537	24,878
	33,394	8,496	86,742	10,510	45,401	5,872	165,537	24,878
	For the nine months ended March 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	23,373	4,422	19,686	2,278	2,309	267	45,368	6,967
	23,373	4,422	19,686	2,278	2,309	267	45,368	6,967

13. NUMBER OF UNITS IN ISSUE

	March 31, 2015 (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	33,394	86,742	45,401	165,537	64,150	144,970	140,708	349,828
Units redeemed during the period	(28,392)	(49,887)	(36,625)	(114,904)	(47,073)	(117,571)	(84,538)	(249,182)
Reallocation during the period	(4,386)	8,508	(1,716)	2,406	43,508	13,357	(90,848)	(33,983)
Total units in issue at the end of the period	442,900	565,775	464,979	1,473,654	442,284	520,412	457,919	1,420,615

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. 1,238,000 Rs.258,000 and Rs. 217,000 for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund (including Rs. 608,000 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 March 31, 2015 would have been higher by Rs. 2.7952, Rs. 0.4560 and Rs. 0.4666 respectively.

15 TAXATION

No provision for taxation for the period ended March 31, 2015 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

	<u>Nine months ended March 31, 2015 (Un-audited)</u>				<u>Nine months ended March 31, 2014 (Un-audited)</u>				
	<u>Equity Sub-Fund</u>	<u>Debt Sub-Fund</u>	<u>Money Market Sub-Fund</u>	<u>Total</u>	<u>Equity Sub-Fund</u>	<u>Debt Sub-Fund</u>	<u>Money Market Sub-Fund</u>	<u>Total</u>	
	<u>Rupees</u>				<u>Rupees</u>				
HBL Asset Management Limited - Pension Fund Manager									
Management remuneration	<u>1,876</u>	<u>1,008</u>	<u>839</u>	<u>3,723</u>	<u>1,332</u>	<u>880</u>	<u>726</u>	<u>2,938</u>	
Habib Bank Limited - Sponsor									
Bank charges paid	<u>1</u>	<u>2</u>	<u>1</u>	<u>4</u>	<u>6</u>	<u>5</u>	<u>4</u>	<u>15</u>	
Profit on bank deposits earned	<u>384</u>	<u>288</u>	<u>321</u>	<u>993</u>	<u>485</u>	<u>740</u>	<u>966</u>	<u>2,191</u>	
Profit received on bank deposits	<u>310</u>	<u>138</u>	<u>203</u>	<u>651</u>	<u>480</u>	<u>610</u>	<u>759</u>	<u>1,849</u>	
Directors and Executives of the Pension Fund Manager and their relatives									
Executives and their relatives									
Issue of units	Number	<u>86</u>	<u>4,111</u>	<u>6,171</u>	<u>10,368</u>	418	171	-	589
Amount of units issued		<u>22</u>	<u>498</u>	<u>738</u>	<u>1,258</u>	79	20	-	99
Redemption of units	Number	<u>-</u>	<u>3,923</u>	<u>5,955</u>	<u>9,878</u>	537	222	-	759
Amount of units redeemed		<u>-</u>	<u>476</u>	<u>714</u>	<u>1,190</u>	98	26	-	124
Reallocation of units	Number	<u>1,601</u>	<u>(848)</u>	<u>(2,567)</u>	<u>(1,814)</u>	(5)	10	-	5
Amount of units reallocated		<u>410</u>	<u>(102)</u>	<u>(308)</u>	<u>-</u>	(1)	1	-	-
Central Depository Company of Pakistan Limited - Trustee									
Remuneration		<u>141</u>	<u>76</u>	<u>63</u>	<u>280</u>	103	68	57	228
Central Depository System Charges		<u>9</u>	<u>3</u>	<u>-</u>	<u>12</u>	14	5	-	19

		Nine months ended March 31, 2015 (Un-audited)				Nine months ended March 31, 2014 (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-----			
Directors of connected persons									
Amount of units issued	Number	-	-	-	-	521	1,024	515	2,060
Amount of units issued		-	-	-	-	120	120	60	300
Redemption of units	Number	495	2,647	6,971	10,113				-
Amount of units redeemed		141	326	844	1,311	-	-	-	-
Reallocation of units	Number	(817)	678	1,108	969	49,621	2,063	(90,889)	(39,205)
Amount of units reallocated		(718)	82	133	(503)	10,110	220	(10,330)	-

16.2 Balances outstanding as at period end

		March 31, 2015 (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-----			
HBL Asset Management Limited - Pension Fund Manager									
Management fee payable		181	89	72	342	136	72	66	274
Sindh Sales Tax payable		31	15	13	59	25	12	12	49
Federal Excise Duty Payable		427	245	202	874	201	124	101	426
Habib Bank Limited - Sponsor									
Units held	Number	300,000	300,000	300,000	900,000	300,000	300,000	300,000	900,000
Value of units held		87,288	37,657	37,204	162,149	78,088	36,319	35,860	150,267
Profit receivable on bank deposits		116	175	225	516	42	25	107	174
Balance in savings account		8,615	4,110	6,559	19,284	8,736	8,380	5,643	22,759
Directors and Executives of the Pension Fund Manager and their relatives									
Executives and their relatives									
Units held	Number	1,687	995	159	2,841	-	1,655	2,510	4,165
Value of units held		491	125	20	636	-	431	300	731

	March 31, 2015 (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-----			
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable	18	9	7	34	15	1	-	16
Security deposit receivable	100	100	-	200	100	100	-	200
Directors of connected persons								
Units held	26,926	45,300	89,847	162,073	28,239	47,275	95,721	171,235
Value of units held	7,834	5,686	11,142	24,662	7,350	5,723	11,442	24,515

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 April 28, 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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HBL Asset Management Limited



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