

**HBL PENSION FUND  
CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2016**

	March 31, 2016 (Un-audited)				June 30, 2015 (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	13,608	2,097	29,926	45,631	9,950	9,281	10,124	29,355
Investments - net	5	123,509	151,156	110,506	385,171	124,954	139,157	129,875	393,986
Dividend receivable and accrued mark-up	6	1,554	2,597	1,179	5,330	89	3,033	17	3,139
Advances, deposits, prepayments and other receivables	7	100	100	-	200	100	100	-	200
<b>Total assets</b>		<b>138,771</b>	<b>155,950</b>	<b>141,611</b>	<b>436,332</b>	135,093	151,571	140,016	426,680
<b>LIABILITIES</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	8	195	226	207	628	178	210	193	581
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	19	22	21	62	16	18	16	50
Payable to the Securities and Exchange Commission of Pakistan		33	38	35	106	36	41	40	117
Accrued expenses and other liabilities	10	1,946	1,456	1,369	4,771	1,638	1,116	1,041	3,795
<b>Total liabilities</b>		<b>2,193</b>	<b>1,742</b>	<b>1,632</b>	<b>5,567</b>	1,868	1,385	1,290	4,543
<b>NET ASSETS</b>		<b>136,578</b>	<b>154,208</b>	<b>139,979</b>	<b>430,765</b>	133,225	150,186	138,726	422,137
<b>PARTICIPANTS' SUB-FUNDS (as per statement attached)</b>		<b>136,578</b>	<b>154,208</b>	<b>139,979</b>	<b>430,765</b>	133,225	150,186	138,726	422,137
<b>Contingencies and commitments</b>									
Number of units in issue	12	454,661	1,064,151	1,039,844	2,558,656	452,883	1,104,116	1,070,125	2,627,124
		----- Rupees -----				----- Rupees -----			
<b>Net asset value per unit</b>		<b>300.3953</b>	<b>144.9109</b>	<b>132.5233</b>		294.1652	136.0235	129.6234	

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

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

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

\_\_\_\_\_  
Director

**HBL PENSION FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	For the nine months ended March 31, 2016 (Un-audited)				For the nine months ended March 31, 2015 (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	3,683	-	-	3,683	3,453	-	-	3,453
Profit on bank deposits	267	89	145	501	313	336	272	921
Mark-up / return on investments	-	8,691	6,756	15,447	-	8,288	8,050	16,338
Capital gain / (loss) on sale of investments - net Unrealised appreciation in the market value of investments classified as fair value through profit or loss - held for trading	15,079	1,902	17	16,998	12,543	2,317	(9)	14,851
	-							
	<b>19,029</b>	<b>10,682</b>	<b>6,918</b>	<b>36,629</b>	16,309	10,941	8,313	35,563
<b>Expenses</b>								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	1,985	2,236	2,046	6,267	1,544	1,743	1,760	5,047
Remuneration of Central Depository Company of Pakistan Limited - Trustee	168	190	173	531	115	131	132	378
Annual fee to the Securities and Exchange Commission of Pakistan	33	38	34	105	26	29	29	84
Auditors' remuneration	75	75	75	225	90	91	90	271
Amortisation of preliminary expenses and floatation costs	-	-	-	-	5	5	5	15
Settlement and bank charges	26	13	9	48	12	4	3	19
	<b>2,287</b>	<b>2,552</b>	<b>2,337</b>	<b>7,176</b>	1,792	2,003	2,019	5,814
<b>Net income from operating activities</b>	<b>16,742</b>	<b>8,130</b>	<b>4,581</b>	<b>29,453</b>	14,517	8,938	6,294	29,749
Provision for Workers' Welfare Fund	14	-	-	-	(294)	(185)	(129)	(608)
<b>Net income for the period before taxation</b>	<b>16,742</b>	<b>8,130</b>	<b>4,581</b>	<b>29,453</b>	14,223	8,753	6,165	29,141
Taxation	15	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>16,742</b>	<b>8,130</b>	<b>4,581</b>	<b>29,453</b>	14,223	8,753	6,165	29,141

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

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

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

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

**HBL PENSION FUND  
CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2016**

	For the three months ended March 31, 2016 (Un-audited)				For the three months ended March 31, 2015 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>Note</b>	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
<b>Income</b>								
Dividend income	1,402	-	-	1,402	1,554	-	-	1,554
Profit on bank deposits	86	19	24	129	60	129	99	288
Mark-up / return on investments	-	3,077	2,240	5,317	-	2,615	2,577	5,192
Capital gain / (loss) on sale of investments - net	(2,967)	(153)	3	(3,117)	5,522	2,320	-	7,842
Unrealised appreciation in the market value of investments classified as fair value through profit or loss - held for trading	(128)	-	-	(128)	-	-	-	-
	<b>(1,607)</b>	<b>2,943</b>	<b>2,267</b>	<b>3,603</b>	<b>7,136</b>	<b>5,064</b>	<b>2,676</b>	<b>14,876</b>
Reversal of impairment loss into capital gain on investments - classified as available for sale	-	-	-	-	-	-	-	-
	<b>(1,607)</b>	<b>2,943</b>	<b>2,267</b>	<b>3,603</b>	<b>7,136</b>	<b>5,064</b>	<b>2,676</b>	<b>14,876</b>
<b>Expenses</b>								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	641	744	683	2,068	577	600	591	1,768
Remuneration of Central Depository Company of Pakistan Limited - Trustee	55	64	58	177	42	45	44	131
Annual fee to the Securities and Exchange Commission of Pakistan	10	13	11	34	10	10	10	30
Auditors' remuneration	24	25	25	74	24	25	24	73
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	-	-	-
Settlement and bank charges	-	-	-	-	-	-	-	7
	<b>730</b>	<b>846</b>	<b>777</b>	<b>2,353</b>	<b>653</b>	<b>680</b>	<b>669</b>	<b>2,002</b>
<b>Net income from operating activities</b>	<b>(2,337)</b>	<b>2,097</b>	<b>1,490</b>	<b>1,250</b>	<b>6,483</b>	<b>4,384</b>	<b>2,007</b>	<b>12,874</b>
Provision for Workers' Welfare Fund	14	-	-	-	(131)	(90)	(41)	(262)
<b>Net income for the period before taxation</b>	<b>(2,337)</b>	<b>2,097</b>	<b>1,490</b>	<b>1,250</b>	<b>6,352</b>	<b>4,294</b>	<b>1,966</b>	<b>12,612</b>
Taxation	15	-	-	-	-	-	-	-
<b>Net income for the period after taxation</b>	<b>(2,337)</b>	<b>2,097</b>	<b>1,490</b>	<b>1,250</b>	<b>6,352</b>	<b>4,294</b>	<b>1,966</b>	<b>12,612</b>

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

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

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

\_\_\_\_\_  
Director

**HBL PENSION FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	For the nine months ended March 31, 2016 (Un-audited)				For the nine months ended March 31, 2015 (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 after taxation	16,742	8,130	4,581	29,453	14,223	8,753	6,165	29,141
<b>Other comprehensive income for the period</b>								
<b>Items that may be reclassified subsequently to income statement:</b>								
Net unrealised (diminution) / appreciation in the market value of investments classified as available for sale	(13,694)	1,380	(160)	(12,474)	(1,991)	1,478	89	(424)
<b>Total comprehensive income for the period</b>	<b>3,048</b>	<b>9,510</b>	<b>4,421</b>	<b>16,979</b>	<b>12,232</b>	<b>10,231</b>	<b>6,254</b>	<b>28,717</b>

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

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

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

\_\_\_\_\_  
Director

**HBL PENSION FUND  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE THREE MONTHS ENDED MARCH 31, 2016**

	For the three months ended March 31, 2016 (Un-audited)				For the three months ended March 31, 2015 (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 after taxation	(2,337)	2,097	1,490	1,250	6,352	4,294	1,966	12,612
<b>Other comprehensive income for the period</b>								
<b>Items that may be reclassified subsequently to income statement:</b>								
Net unrealised (diminution) / appreciation in the market value of investments classified as available for sale	2,681	1,403	(101)	3,983	(9,183)	(1,576)	47	(10,712)
<b>Total comprehensive income for the period</b>	<b>344</b>	<b>3,500</b>	<b>1,389</b>	<b>5,233</b>	<b>(2,831)</b>	<b>2,718</b>	<b>2,013</b>	<b>1,900</b>

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

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

\_\_\_\_\_  
Director

**HBL PENSION FUND  
CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' FUNDS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	<b>For the nine months ended March 31, 2016 (Un-audited)</b>				<b>For the nine months ended March 31, 2015 (Un-audited)</b>				
	<b>Equity Sub-Fund</b>	<b>Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>	<b>Total</b>	<b>Equity Sub-Fund</b>	<b>Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>	<b>Total</b>	
<b>Note</b>	<b>----- (Rupees in '000) -----</b>				<b>----- (Rupees in '000) -----</b>				
<b>Net assets at beginning of the period</b>	<b>133,225</b>	<b>150,186</b>	<b>138,726</b>	<b>422,137</b>	86,355	117,382	120,939	324,676	
Amount received on issuance of units	13	13,677	19,443	13,739	46,859	10,855	26,689	35,986	73,530
Amount paid on redemption of units	(9,250)	(26,436)	(19,524)	(55,210)	(1,514)	(31,231)	(42,492)	(75,237)	
Reallocation among Sub-Funds	(4,122)	1,505	2,617	-	(471)	343	128	-	
Net income for the period	<b>16,742</b>	<b>8,130</b>	<b>4,581</b>	<b>29,453</b>	14,223	8,753	6,165	29,141	
Net unrealised appreciation / (diminution) in the market value of securities classified as available for sale	<b>(13,694)</b>	<b>1,380</b>	<b>(160)</b>	<b>(12,474)</b>	(1,991)	1,478	89	(424)	
Total comprehensive income for the period	<b>3,048</b>	<b>9,510</b>	<b>4,421</b>	<b>16,979</b>	12,232	10,231	6,254	28,717	
<b>Net assets at end of the period</b>	<b>136,578</b>	<b>154,208</b>	<b>139,979</b>	<b>430,765</b>	107,457	123,414	120,815	351,686	

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

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

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

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

**HBL PENSION FUND  
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

	For the nine months ended March 31, 2016 (Un-audited)				For the nine months ended March 31, 2015 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	(Rupees in '000)				(Rupees in '000)			
<b>Net income for the period before taxation</b>	16,742	8,130	4,581	29,453	14,223	8,753	6,165	29,141
<b>Adjustments:</b>								
Dividend income	(3,683)	-	-	(3,683)	-	-	-	-
Profit on deposits with bank	(267)	(89)	(145)	(501)	-	-	-	-
Mark-up / return on investments	-	(8,691)	(6,756)	(15,447)	-	-	-	-
Capital (gain) / loss on sale of investments	(15,079)	(1,902)	(17)	(16,998)	-	-	-	-
Unrealised appreciation in the market value of investments classified as fair value through profit or loss - held for trading	(128)	-	-	(128)	-	-	-	-
Amortization of preliminary expenses and floatation costs	-	-	-	-	5	5	5	15
Provision for Workers' Welfare Fund	-	-	-	-	-	-	-	-
	(2,415)	(2,552)	(2,337)	(7,304)	14,228	8,758	6,170	29,156
<b>(Increase) / decrease in assets</b>								
Investments - net	2,958	(8,717)	19,226	13,467	(24,399)	(17,212)	(4,749)	(46,360)
Dividend & profit receivable	-	-	-	-	(1,659)	460	(116)	(1,315)
Advances, deposits, prepayments and other receivables	-	-	-	-	4,100	-	-	4,100
	2,958	(8,717)	19,226	13,467	(21,958)	(16,752)	(4,865)	(43,575)
<b>Increase / (decrease) in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	17	16	14	47	46	32	21	99
Payable to Central Depository Company of Pakistan Limited - Trustee	3	4	5	12	5	(3)	(5)	(3)
Payable to the Securities and Exchange Commission of Pakistan	(3)	(3)	(5)	(11)	(1)	(4)	(4)	(9)
Accrued expenses and other liabilities	308	340	328	976	498	414	357	1,269
	325	357	342	1,024	548	439	369	1,356
Dividend income received	868	(10,912)	17,231	7,187	(7,182)	(7,555)	1,674	(13,063)
Mark-up income received	2,318	-	-	2,318	-	-	-	-
	167	9,216	5,739	15,122	-	-	-	-
<b>Net cash generated from / (used in) operating activities</b>	3,353	(1,696)	22,970	24,627	(7,182)	(7,555)	1,674	(13,063)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Amount received on issue of units	13,677	19,443	13,739	46,859	10,855	26,689	35,986	73,530
Amount paid on redemption of units	(9,250)	(26,436)	(19,524)	(55,210)	(1,514)	(31,231)	(42,492)	(75,237)
Reallocation among Sub-Funds	(4,122)	1,505	2,617	-	(471)	343	128	-
<b>Net cash (used in) / generated from financing activities</b>	305	(5,488)	(3,168)	(8,351)	8,870	(4,199)	(6,378)	(1,707)
<b>Net increase / (decrease) in cash and cash equivalents</b>	3,658	(7,184)	19,802	16,276	1,688	(11,754)	(4,704)	(14,770)
Cash and cash equivalents at beginning of the period	9,950	9,281	10,124	29,355	4,301	14,820	12,513	31,634
<b>Cash and cash equivalents at end of the period</b>	13,608	2,097	29,926	45,631	5,989	3,066	7,809	16,864

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

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

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

\_\_\_\_\_  
Director

**HBL PENSION FUND  
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2016**

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

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

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

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

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

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

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM2-' (June 30, 2015: '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 (IFRSs) 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 IFRSs, the requirements of the VPS Rules or the directives issued by the SECP shall prevail.

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2015.

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2015.

#### 4. BANK BALANCES

	March 31, 2016 (Un-audited)				June 30, 2015 (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)-----			
Savings accounts	13,608	2,097	29,926	45,631	9,950	9,281	10,124	29,355

#### 5. INVESTMENTS - NET

	March 31, 2016 (Un-audited)				June 30, 2015 (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>Available for sale investments</b>								
Listed equity securities	123,509	-	-	123,509	124,954	-	-	124,954
Government securities								
- Treasury Bills	-	65,711	59,784	125,495	-	41,597	129,875	171,472
- Pakistan Investment Bonds	-	80,359	50,722	131,081	-	92,450	-	92,450
Term Finance Certificates - Listed	-	5,086	-	5,086	-	5,110	-	5,110
	123,509	151,156	110,506	385,171	124,954	139,157	129,875	393,986
	123,509	151,156	110,506	385,171	124,954	139,157	129,875	393,986

## 5.1 Listed equity securities

### Held by Equity Sub-Fund

Fully paid up ordinary shares of Rs. 10 each except Thal Limited, Hum Network Limited and K-Electric Limited which have face value of Rs. 5 each, Re. 1 each and Rs. 3.5 each respectively.

Name of the investee company	As at July 1, 2015	Purchases during the period	Bonus / Right issue during the period	Sales during the period	As at March 31, 2016	Market value as at March 31, 2016	Market value as a % of net assets of the sub-fund	Market value as a % of total investment of the sub-fund	% of paid-up capital of the investee company
	Number of shares				(Rupees in '000)		%		
<b>Oil and Gas Exploration Companies</b>									
Pakistan Petroleum Limited	-	30,000	-	30,000	-	-	-	-	-
Mari Petroleum Company Limited	-	19,000	-	14,000	5,000	3,512	2.57	2.84	0.00
Pakistan Oilfields Limited	10,000	13,000	-	23,000	-	-	-	-	-
	<b>10,000</b>	<b>62,000</b>	<b>-</b>	<b>67,000</b>	<b>5,000</b>	<b>3,512</b>	<b>2.57</b>	<b>2.84</b>	
<b>Oil and Gas Marketing Companies</b>									
Pakistan State Oil Company Limited	16,400	24,200	-	16,400	24,200	8,500	6.22	6.88	0.01
Attock Petroleum Limited	4,500	-	-	4,500	-	-	-	-	-
	<b>20,900</b>	<b>24,200</b>	<b>-</b>	<b>20,900</b>	<b>24,200</b>	<b>8,500</b>	<b>6.22</b>	<b>6.88</b>	
<b>Fertilizer</b>									
Engro Corporation Limited	31,500	24,800	-	31,600	24,700	7,798	5.71	6.31	0.00
Engro Fertilizers Limited	140,000	-	-	140,000	-	-	-	-	-
Fatima Fertilizer Company Limited	-	65,000	-	65,000	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	94,000	-	94,000	-	-	-	-	-
	<b>171,500</b>	<b>183,800</b>	<b>-</b>	<b>330,600</b>	<b>24,700</b>	<b>7,798</b>	<b>5.71</b>	<b>6.31</b>	
<b>Chemical</b>									
ICI Pakistan Limited	17,500	-	-	17,500	-	-	-	-	-
<b>Cement</b>									
Lucky Cement Limited	9,200	11,700	-	8,000	12,900	6,942	5.08	5.62	0.00
Fauji Cement Company Limited	176,500	60,000	-	96,000	140,500	5,888	4.31	4.77	0.01
Maple Leaf Cement Factory Limited	-	88,000	-	75,500	12,500	1,153	0.84	0.93	0.01
D.G. Khan Cement Company Limited	-	48,000	-	-	48,000	8,343	6.11	6.75	-
Pioneer Cement Limited	-	83,000	-	42,500	40,500	4,006	2.93	3.24	0.02
	<b>185,700</b>	<b>290,700</b>	<b>-</b>	<b>222,000</b>	<b>254,400</b>	<b>26,332</b>	<b>19.27</b>	<b>21.31</b>	
<b>Transport</b>									
Pakistan National Shipping - Corporation Limited	-	72,000	-	-	72,000	5,130	3.76	4.15	0.05
<b>Textile Composite</b>									
Nishat Mills Limited	-	52,500	-	52,500	-	-	-	-	0.01
<b>Pharmaceuticals</b>									
Searle Pakistan Limited	6,600	16,100	3,138	13,100	12,738	5,598	4.10	4.53	0.01
Glaxosmithkline Pakistan Limited	-	26,000	-	-	26,000	6,303	4.61	5.10	0.01
	<b>6,600</b>	<b>42,100</b>	<b>3,138</b>	<b>13,100</b>	<b>38,738</b>	<b>11,901</b>	<b>8.71</b>	<b>9.63</b>	
<b>Power Generation &amp; Distribution</b>									
Hub Power Company Limited	62,500	115,500	-	62,500	115,500	12,074	8.84	9.78	0.01
Kot Addu Power Company Limited	56,000	44,500	-	70,000	30,500	2,354	1.72	1.91	-
K-Electric Limited	465,000	987,500	-	730,000	722,500	5,130	3.76	4.15	0.00
	<b>583,500</b>	<b>1,147,500</b>	<b>-</b>	<b>862,500</b>	<b>868,500</b>	<b>19,558</b>	<b>14.32</b>	<b>15.84</b>	
<b>Commercial Banks</b>									
Bank Al Habib Limited	98,048	-	-	98,048	-	-	-	-	-
United Bank Limited	24,000	20,000	-	44,000	-	-	-	-	0.00
Bank Al Falah Limited	147,000	-	-	147,000	-	-	-	-	-
	<b>269,048</b>	<b>20,000</b>	<b>-</b>	<b>289,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Insurance</b>									
Adamjee Insurance Company Limited	-	96,000	-	-	96,000	5,139	3.76	4.16	0.03
<b>Automobile Assembler</b>									
Pak Suzuki Motor Company Limited	20,000	-	-	20,000	-	-	-	-	-
Indus Motor Company Limited	5,500	2,500	-	5,500	2,500	2,368	1.73	1.92	-
HinoPak Motors Limited	-	5,500	-	5,500	-	-	-	-	0.04
	<b>25,500</b>	<b>8,000</b>	<b>-</b>	<b>31,000</b>	<b>2,500</b>	<b>2,368</b>	<b>1.73</b>	<b>1.92</b>	
<b>Technology and Communication</b>									
Hum Network Limited	375,000	127,000	-	502,000	-	-	-	-	0.04
<b>Miscellaneous</b>									
Synthetic Products Enterprises Limited	48,500	-	-	48,500	-	-	-	-	-
<b>Engineering</b>									
Mughal Iron and Steel Industries Limited*	110,000	24,500	13,500	87,000	61,000	4,174	3.06	3.38	0.05
<b>Automobile Parts &amp; Accessories</b>									
Thal Limited	19,900	-	-	-	19,900	5,069	3.71	4.10	0.02
General Tyre and Rubber Company of Pakistan Limited	-	24,100	-	-	24,100	3,606	2.64	2.92	0.04
	<b>19,900</b>	<b>24,100</b>	<b>-</b>	<b>-</b>	<b>44,000</b>	<b>8,675</b>	<b>6.35</b>	<b>7.02</b>	
<b>Steel</b>									
Amreli Steels Limited	-	94,000	-	94,000	-	-	-	-	0.03
Crescent Steel and Allied Products	-	74,775	-	21,000	53,775	6,323	4.63	5.12	0.06
	<b>-</b>	<b>168,775</b>	<b>-</b>	<b>21,000</b>	<b>53,775</b>	<b>6,323</b>	<b>4.63</b>	<b>5.12</b>	
<b>Pharma and Bio Tech</b>									
Ferozsons Laboratories Limited	-	5,200	-	-	5,200	4,549	3.33	3.68	0.02
<b>Cable and Electrical Goods</b>									
Pak Elektron Limited	-	218,000	-	133,000	85,000	5,140	3.76	4.16	-
<b>General Industrial</b>									
Packages Limited	-	8,450	-	-	8,450	4,410	3.23	3.57	0.01
<b>Total</b>	<b>1,843,648</b>	<b>2,574,825</b>	<b>16,638</b>	<b>2,697,648</b>	<b>1,643,463</b>	<b>123,509</b>	<b>90.41</b>	<b>100.00</b>	
Carrying Cost as at March 31, 2016						<b>120,284</b>			

## 5.2 Government securities - Treasury bills

### 5.2.1 Held by Debt Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value			Amortised cost as at March 31, 2016	Market value as at March 31, 2016	Market value as a percentage of		
		As at July 1, 2015	Purchases during the period	Sales / matured during the period			As at March 31, 2016	Total investments of the sub-fund	Net assets of the sub-fund
							(Rupees in '000)		%
Treasury Bill - 12 months	November 13, 2014	-	25,000	25,000	-	-	-	-	
Treasury Bill - 6 months	January 8, 2015	3,000	-	3,000	-	-	-	-	
Treasury Bill - 12 months	February 6, 2015	3,500	-	3,500	-	-	-	-	
Treasury Bill - 6 months	February 19, 2015	8,500	-	8,500	-	-	-	-	
Treasury Bill - 6 months	April 2, 2015	-	7,000	7,000	-	-	-	-	
Treasury Bill - 12 months	April 30, 2015	5,000	-	-	5,000	4,975	4,977	3.29	3.23
Treasury Bill - 12 months	May 14, 2015	12,000	-	-	12,000	11,914	11,918	7.88	7.73
Treasury Bill - 6 months	May 28, 2015	6,000	-	6,000	-	-	-	-	-
Treasury Bill - 3 months	June 11, 2015	5,000	-	5,000	-	-	-	-	-
Treasury Bill - 3 months	July 9, 2015	-	3,000	3,000	-	-	-	-	-
Treasury Bill - 6 months	September 3, 2015	-	4,000	4,000	-	-	-	-	-
Treasury Bill - 6 months	October 1, 2015	-	10,000	10,000	-	-	-	-	-
Treasury Bill - 6 months	November 12, 2015	-	30,000	-	30,000	29,795	29,791	19.71	19.32
Treasury Bill - 12 months	January 21, 2016	-	3,000	-	3,000	2,860	2,858	1.89	1.85
Treasury Bill - 6 months	February 4, 2016	-	3,500	-	3,500	3,427	3,428	2.27	2.22
Treasury Bill - 12 months	March 3, 2016	-	2,000	-	2,000	1,893	1,892	1.25	1.23
Treasury Bill - 6 months	March 31, 2016	-	11,000	-	11,000	10,848	10,847	7.18	7.03
		<b>43,000</b>	<b>98,500</b>	<b>75,000</b>	<b>66,500</b>	<b>65,712</b>	<b>65,711</b>	<b>43.47</b>	<b>42.61</b>

### 5.2.2 Held by Money Market Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value			Amortised cost as at March 31, 2016	Market value as at March 31, 2016	Market value as a percentage of		
		As at July 1, 2015	Purchases during the period	Sales / matured during the period			As at March 31, 2016	Total investments of sub-fund	Net assets of sub-fund
							(Rupees in '000)		%
Treasury Bill - 6 months	January 8, 2015	12,000	-	12,000	-	-	-	-	-
Treasury Bill - 12 months	January 8, 2015	-	20,000	20,000	-	-	-	-	-
Treasury Bill - 6 months	March 19, 2015	20,000	-	20,000	-	-	-	-	-
Treasury Bill - 6 months	April 2, 2015	-	5,000	5,000	-	-	-	-	-
Treasury Bill - 6 months	April 16, 2015	10,000	60,000	70,000	-	-	-	-	-
Treasury Bill - 3 months	April 16, 2015	45,000	-	45,000	-	-	-	-	-
Treasury Bill - 6 months	April 30, 2015	10,000	-	10,000	-	-	-	-	-
Treasury Bill - 3 months	May 14, 2015	25,000	-	25,000	-	-	-	-	-
Treasury Bill - 6 months	May 28, 2015	3,000	-	3,000	-	-	-	-	-
Treasury Bill - 3 months	June 11, 2015	6,000	-	6,000	-	-	-	-	-
Treasury Bill - 3 months	July 9, 2015	-	57,000	57,000	-	-	-	-	-
Treasury Bill - 6 months	August 6, 2015	-	25,000	25,000	-	-	-	-	-
Treasury Bill - 3 months	September 3, 2015	-	3,000	3,000	-	-	-	-	-
Treasury Bill - 3 months	September 17, 2015	-	6,000	6,000	-	-	-	-	-
Treasury Bill - 3 months	October 15, 2015	-	73,000	73,000	-	-	-	-	-
Treasury Bill - 3 months	October 29, 2015	-	10,000	10,000	-	-	-	-	-
Treasury Bill - 3 months	December 10, 2015	-	6,000	6,000	-	-	-	-	-
Treasury Bill - 3 months	January 7, 2016	-	64,000	49,000	15,000	14,757	14,757	13.35	10.54
Treasury Bill - 6 months	January 7, 2016	-	30,000	30,000	-	-	-	-	-
Treasury Bill - 6 months	January 21, 2016	-	8,500	-	8,500	8,339	8,342	7.55	5.96
Treasury Bill - 3 months	February 4, 2016	-	30,000	-	30,000	29,863	29,863	27.02	21.33
Treasury Bill - 6 months	March 3, 2016	-	7,000	-	7,000	6,824	6,822	6.17	4.87
		<b>131,000</b>	<b>404,500</b>	<b>475,000</b>	<b>60,500</b>	<b>59,783</b>	<b>59,784</b>	<b>54.09</b>	<b>42.70</b>

### 5.3 Government securities - Pakistan Investment Bonds

#### 5.3.1 Held by Debt Sub-Fund

Issue date	Face value				Amortised cost as at March 31, 2016	Market value as at March 31, 2016	Market value as a percentage of		
	As at July 01, 2015	Purchases during the period	Sales / matured during the period	As at March 31, 2016			Total investments of the sub-fund	Net assets of the sub-fund	
(Rupees in '000)									
Pakistan Investment Bonds	August 18, 2011	-	1,000	-	1,000	1,041	1,020	0.67	0.66
Pakistan Investment Bonds	July 18, 2013	30,000	-	30,000	-	-	-	-	-
Pakistan Investment Bonds	March 26, 2015	60,000	40,000	25,000	75,000	76,690	79,339	52.49	51.45
		90,000	41,000	55,000	76,000	77,731	80,359	53.16	52.11

#### 5.3.2 Held by Money Market Sub-Fund

Issue date	Face value				Amortised cost as at March 31, 2016	Market value as at March 31, 2016	Market value as a percentage of		
	As at July 01, 2015	Purchases during the period	Sales / matured during the period	As at March 31, 2016			Total investments of the sub-fund	Net assets of the sub-fund	
(Rupees in '000)									
Pakistan Investment Bonds	July 18, 2013	-	50,000	-	50,000	50,798	50,722	45.90	36.24
		-	50,000	-	50,000	50,798	50,722	45.90	36.24

### 5.4 Term Finance Certificates and Sukuk bonds - Unlisted

#### 5.4.1 Held by Debt Sub-Fund

Name of the investee company	Number of certificates				Amortized cost as at March 31, 2016	Market value / Carrying value as at March 31, 2016	Market value as a percentage of	
	As at July 1, 2015	Purchases during the year	Sales / Matured during the year	As at March 31, 2016			Total investments of the sub-fund	Net assets of the sub-fund
(Rupees in '000)								
<b>Commercial Banks</b>								
Standard Chartered Bank (Pakistan) Limited	300	-	-	300	1,500	1,506	1.00	0.98
<b>Multiutilities</b>								
WAPDA Third Sukuk Company Limited	798	-	-	798	3,420	3,580	2.37	2.32
<b>Total</b>	<b>1,098</b>	<b>-</b>	<b>-</b>	<b>1,098</b>	<b>4,920</b>	<b>5,086</b>	<b>3.37</b>	<b>3.30</b>

#### 5.4.1.1 Significant terms and conditions of Term Finance Certificates and Sukuk Bonds outstanding as at March 31, 2016 are as follows:

Name of security	Remaining principal (per TFC) (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date
<b>Term Finance Certificates and Sukuk Bonds - Unlisted</b>				
Standard Chartered Bank (Pakistan) Limited	5,000	6 month KIBOR + 0.75%	29.Jun.12	29.Jun.22
WAPDA Third Sukuk Company Limited	4,286	6 month KIBOR + 1%	14.Okt.13	14.Okt.21

## 6. DIVIDEND RECEIVABLE AND ACCRUED MARK-UP

	March 31, 2016 (Un-audited)				June 30, 2015 (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) -----			
Dividend receivable	1,428	-	-	1,428	63	-	-	63
Mark-up accrued on deposits with banks	126	28	36	190	26	19	17	62
Mark-up accrued on Term Finance Certificates	-	398	-	398	-	72	-	72
Mark-up accrued on Government Securities - Pakistan Investment Bonds	-	2,171	1,143	3,314	-	2,942	-	2,942
	<b>1,554</b>	<b>2,597</b>	<b>1,179</b>	<b>5,330</b>	<b>89</b>	<b>3,033</b>	<b>17</b>	<b>3,139</b>

## 7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	March 31, 2016 (Un-audited)				June 30, 2015 (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
Receivable against sale of shares	-	-	-	-	-	-	-	-
	<b>100</b>	<b>100</b>	<b>-</b>	<b>200</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>200</b>

## 8. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

	Note	March 31, 2016 (Un-audited)				June 30, 2015 (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	8.1	168	194	178	540	152	179	164	495
Sindh Sales Tax	8.2	27	32	29	88	26	31	29	86
		<b>195</b>	<b>226</b>	<b>207</b>	<b>628</b>	<b>178</b>	<b>210</b>	<b>193</b>	<b>581</b>

**8.1** 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-Funds.

**8.2** This represents amount payable in respect of Sindh Sales Tax at the rate of 14% (June 30, 2015: 15%) on the services provided by the Pension Fund Manager as required by the Sindh Sales Tax on Services Act, 2011.

**9. PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**

	March 31, 2016 (Un-audited)				June 30, 2015 (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) -----			
Remuneration payable to the Trustee	17	19	18	54	16	18	16	50
Sindh Sales Tax on remuneration of the Trustee	9.1	2	3	3	8	-	-	-
	<b>19</b>	<b>22</b>	<b>21</b>	<b>62</b>	<b>16</b>	<b>18</b>	<b>16</b>	<b>50</b>

- 9.1** The Sindh Revenue Board through Circular No. SRB-3-4/TP/01/2015/86554 dated June 13, 2015, amended the definition of services of shares, securities and derivatives and included the custodianship services within the purview of the Sindh Sales Tax. Accordingly Sindh Sales Tax of 14 % is applicable on Trustee fee which is now covered under section 2(79A) of the Sindh Sales Tax on Services Act, 2011.

**10. ACCRUED EXPENSES AND OTHER LIABILITIES**

	March 31, 2016 (Un-audited)				June 30, 2015 (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	145	145	145	435	70	70	70	210
Payable to broker	-	-	-	-	7	5	1	13
Federal Excise Duty	10.1	676	777	747	2,200	436	507	500
Provision for Workers' Welfare Fund	14	1,125	534	470	2,129	1,125	534	470
Other payable	-	-	7	7	-	-	-	-
	<b>1,946</b>	<b>1,456</b>	<b>1,369</b>	<b>4,771</b>	<b>1,638</b>	<b>1,116</b>	<b>1,041</b>	<b>3,795</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 was applied with effect from 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 of 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. 0.719 million, Rs. 0.7826 million and Rs. 0.808 million for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively, out of which Rs. 0.043 million, Rs. 0.056 million and Rs. 0.061 million have been paid to Pension Fund Manager 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, 2016 would have been higher by Rs. 1.5814, Rs. 0.7354 and Rs. 0.7770 respectively.

**11. CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments outstanding as at March 31, 2016.

## 12. NUMBER OF UNITS IN ISSUE

	December 31, 2015 (Un-audited)				June 30, 2015 (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	452,883	1,104,116	1,070,215	2,627,214	386,254	957,928	997,221	2,341,403
Units issued during the period / year	72,415	137,362	118,512	328,289	70,552	390,324	421,144	882,020
Units redeemed during the period / year	(56,984)	(188,379)	(168,767)	(414,130)	(5,822)	(240,162)	(348,721)	(594,705)
Reallocation during the period / year	(13,353)	11,052	19,884	17,583	1,899	(3,974)	571	(1,504)
<b>Total units in issue at the end of the period / year</b>	<b>454,961</b>	<b>1,064,151</b>	<b>1,039,844</b>	<b>2,558,956</b>	<b>452,883</b>	<b>1,104,116</b>	<b>1,070,215</b>	<b>2,627,214</b>

## 13. CONTRIBUTION TABLE

Contributions received are as follows:

	For the six months ended December 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	72,415	13,677	137,362	19,443	118,512	13,739	328,289	46,859

## 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 Honorable 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 July 15, 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 the WWF Ordinance. 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 6, 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 dated January 4, 2011, has cancelled ab-initio clarificatory letter dated October 6, 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 Honorable High Court of Sindh on the basis of pending constitutional petition in the said court as referred above.

Furthermore, in 2011 the Honorable 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 Pension Fund Manager is hopeful that the decision of the Honorable Lahore High Court, will lend further support to the Constitutional Petition which is pending in the Honorable 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 Honorable 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* to the Constitution.

The Finance Act 2015 excluded Mutual Funds and Collective Investment Schemes from definition of Industrial Establishment subject to WWF under WWF Ordinance. The management is of the view that since the change is brought in the definition, therefore, no provision for WWF is required to be made with effect from July 1, 2015 onwards.

However, provision made till June 30, 2015 has not been reversed owing to the fact that the decision of the Sindh High Court on the applicability of WWF (till June 30, 2015) to the CISs is currently pending for adjudication. The provision for WWF made up to June 30, 2015 aggregated to Rs. 1,124,739, Rs. 533,502 and Rs. 470,758 for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. 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, 2016, would have been higher by Rs. 2.4738, Rs. 0.5013 and Rs. 0.4527 respectively.

## **15. TAXATION**

No provision for taxation for the period ended March 31, 2016, has been made in the view of exemption available under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

## **16. TRANSACTIONS WITH CONNECTED PERSONS**

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

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

## 16.1 Transactions during the period

	Nine months ended March 31, 2016 (Un-audited)				Nine months ended March 31, 2015 (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>HBL Asset Management Limited - Pension Fund Manager</b>								
Management fee	1,985	2,236	2,046	6,267	1,544	1,743	1,760	5,047
<b>Habib Bank Limited - Sponsor</b>								
Bank charges	8	3	4	15	1	1	1	3
Profit on bank deposits earned	244	83	82	409	235	189	155	579
Profit received on bank deposits	232	94	81	407	235	189	155	579
Dividend earned and received	-	-	-	-	39	-	-	39
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
	Number				Number			
<b>Mr. Salim Amlani</b>								
Issue of units	-	-	-	-	-	2,411	2,441	4,852
Reallocation of units	-	(1,970)	2,068	98	-	(134)	135	1
<b>Ms. Sima Kamil</b>								
Reallocation of units	(189)	344	85	240	-	-	-	-
	(Rupees in '000)				(Rupees in '000)			
<b>Mr. Salim Amlani</b>								
Amount of units issued	-	-	-	-	-	300	300	600
Amount of units reallocated	-	(268)	268	-	-	(16,414)	16,414	-
<b>Ms. Sima Kamil</b>								
Amount of units reallocated	(58)	47	11	-	-	-	-	-
<b>Executives and their relatives*</b>								
	Number				Number			
Reallocation of units	(1)	3	-	2	(1)	2	-	1
	(Rupees in '000)				(Rupees in '000)			
Amount of units reallocated	(1)	1	-	-	(1)	1	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
	(Rupees in '000)				(Rupees in '000)			
Remuneration	168	190	173	531	115	131	132	378
Central Depository System Charges	14	3	-	17	8	3	-	11
<b>Directors of connected persons**</b>								
	Number				Number			
Reallocation of units	(2,662)	1,441	4,764	3,543	(291)	330	210	249
Redemption of units	428	2,329	6,318	9,075	(741)	(3,416)	(8,976)	(13,133)
	(Rupees in '000)				(Rupees in '000)			
Amount of units reallocated	(814)	196	618	-	(66)	41	25	-
Amount of units redeemed	128	324	827	1,279	(186)	(437)	(1,119)	(1,742)

\* These include transactions in relation to those executives and their relatives who have resigned from the Management Company during the period upto the date of their resignation.

\*\* These include transactions in relation to those directors of connected persons who have joined during the period from the date of their joining.

## 16.2 Balances outstanding as at period / year end

	March 31, 2016 (Un-audited)				June 30, 2015 (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>HBL Asset Management Limited - Pension Fund Manager</b>								
Management fee payable	<u>168</u>	<u>194</u>	<u>178</u>	<u>540</u>	<u>152</u>	<u>179</u>	<u>164</u>	<u>495</u>
Sindh Sales Tax payable	<u>27</u>	<u>32</u>	<u>29</u>	<u>88</u>	<u>26</u>	<u>31</u>	<u>29</u>	<u>86</u>
Federal Excise Duty payable	<u>676</u>	<u>777</u>	<u>747</u>	<u>2,200</u>	<u>436</u>	<u>507</u>	<u>500</u>	<u>1,443</u>
<b>Habib Bank Limited - Sponsor</b>								
	-----Number-----				-----Number-----			
Units held	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>900,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>900,000</u>
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Amount of units held	<u>90,119</u>	<u>43,473</u>	<u>39,757</u>	<u>173,349</u>	<u>88,250</u>	<u>40,807</u>	<u>38,887</u>	<u>167,944</u>
Mark-up accrued on deposits with bank	<u>39</u>	<u>8</u>	<u>8</u>	<u>55</u>	<u>26</u>	<u>19</u>	<u>7</u>	<u>52</u>
Balance in savings account	<u>12,773</u>	<u>75</u>	<u>3,773</u>	<u>16,621</u>	<u>9,926</u>	<u>9,280</u>	<u>6,995</u>	<u>26,201</u>
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
	-----Number-----				-----Number-----			
Units held	<u>5,141</u>	<u>9,239</u>	<u>111,611</u>	<u>125,991</u>	<u>5,330</u>	<u>114,900</u>	<u>109,458</u>	<u>229,688</u>
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Amount of units held	<u>1,544</u>	<u>1,339</u>	<u>14,791</u>	<u>17,674</u>	<u>1,568</u>	<u>15,629</u>	<u>14,188</u>	<u>31,385</u>
<b>Executives and their relatives***</b>								
	-----Number-----				-----Number-----			
Units held	<u>35</u>	<u>19</u>	<u>-</u>	<u>54</u>	<u>37</u>	<u>33</u>	<u>3</u>	<u>73</u>
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Amount of units held	<u>11</u>	<u>3</u>	<u>-</u>	<u>14</u>	<u>11</u>	<u>4</u>	<u>1</u>	<u>16</u>
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Remuneration payable	<u>17</u>	<u>19</u>	<u>18</u>	<u>54</u>	<u>16</u>	<u>18</u>	<u>16</u>	<u>50</u>
Sindh Sales Tax payable	<u>2</u>	<u>3</u>	<u>3</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Security deposit receivable	<u>100</u>	<u>100</u>	<u>-</u>	<u>200</u>	<u>100</u>	<u>100</u>	<u>-</u>	<u>200</u>
<b>Directors of connected persons</b>								
	-----Number-----				-----Number-----			
Units held	<u>13,950</u>	<u>76,294</u>	<u>121,022</u>	<u>211,266</u>	<u>16,920</u>	<u>77,125</u>	<u>122,577</u>	<u>216,622</u>
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Amount of units held	<u>4,191</u>	<u>11,056</u>	<u>16,038</u>	<u>31,285</u>	<u>4,977</u>	<u>10,491</u>	<u>15,889</u>	<u>31,357</u>

\*\*\* These does not include balances in relation to those executives and their relatives who have resigned from the Management Company during the period.

**17. DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on March 29, 2016.

**18. GENERAL**

**18.1** Certain corresponding figures in the condensed interim cash flow statement have been reclassified for the purpose of better presentation.

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

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

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**Chief Executive**

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**Director**