

HBL

ASSET MANAGEMENT LTD.
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AMC Rating : AM2+ by JCR-VIS



HBL Pension Fund & HBL Islamic Pension Fund

QUARTERLY REPORT 2018

For the period ended September 30, 2018

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors

Chairman	Mr. Agha Sher Shah	(Independent Director)
Directors	Mr. Farid Ahmed Khan	(Executive Director / CEO)
	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Agha Sher Shah	(Independent Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)

Risk Management Committee

Chairman	Mr. Rizwan Haider	(Non-Executive Director)
Members	Mr. Farid Ahmed Khan	(Executive Director / CEO)
	Mr. Shahid Ghaffar	(Independent Director)

Company Secretary &

Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2+ (Stable Outlook)

Legal Advisors

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

Website

www.hblasset.com

Head Office & Registered Office

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

REVIEW REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY FOR THE THREE MONTH ENDED SEPTEMBER 30, 2018

The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of for the three months ended September 30, 2018 of the following funds:

01. HBL Pension Fund
02. HBL Islamic Pension Fund

Economic Review

Pakistan's economic landscape has deteriorated considerably with twin deficits, increasing inflationary pressures, rising international commodity prices and depleting FX reserves. These dwindling factors led to monetary tightening and PKR depreciation during the quarter while fiscal issues enforced new government to pursue fiscal tightening (through lower public spending) to achieve its fiscal deficit target of 5.1% for FY19.

Reversal in macroeconomic indicators' trend would likely affect economic growth trajectory which is also reflected in 1.2% decline in LSM during 2MFY19 compared to 12.1% YoY during same period last year. PKR remained volatile during the quarter with 6% depreciation up to Jul-18 which was reversed after PTI won elections, limiting overall PKR depreciation for the quarter to 0.7%. Trade data released by PBS reflected some respite as export growth outpaced import growth during 1QFY19 dragging trade deficit by 1.6% to USD 8.9bn. Current account deficit (CAD) for 2MFY19 clocked in at USD 2.7bn (5.3% of GDP) compared to USD 2.5bn (4.6% of GDP) during same period last year. These changes in trade balance and CAD trend reflected lag impact on aggregate demand due to 16% PKR depreciation during FY18 and imposition of duties (regulatory, customs and antidumping). Due to sustained CAD, foreign exchange reserves dropped to USD 14.9bn while SBP reserves depleted to USD 8.4bn (less than 2 months of import cover).

Rising international oil prices and PKR depreciation has also contributed to overall inflationary pressures. CPI increased by 5.6% YoY during 1QFY19 compared to 3.4% YoY during same period last year. Higher CPI was mainly due to transport prices (+17%YoY) and housing segment (+6% YoY) during 1QFY19. Core inflation (non-food & non-energy) also depicted underlying inflationary pressure reaching 8% during Sep-18, taking 1QFY19 average to 7.8% compared to 5.5% during 1QFY18. In view of these factors and higher international oil prices (+1.3% QoQ and +46% YoY), central bank increased policy rate by 200bps in last two monetary policy announcements (July and Sep). During the quarter, newly elected Government also presented "mini-budget" and revised fiscal deficit target to 5.1% of GDP.

Going forward, we expect macroeconomic challenges would persist (particularly twin deficits and high inflation) while policy makers would pursue austerity measures for sustainable growth.

Stock Market Review

Pakistan Equity Markets witnessed a decline in the outgoing quarter as increased macroeconomic risks dent overall investor sentiment. Political uncertainty reduced during the quarter after successful political transition post General Elections 2018. However, lack of policy direction from new government coupled with dwindling macros (mainly depleting FX reserves) aggravated concerns dragging market performance.

The benchmark KSE100 Index fell 912 points to close at 40,999 points (↓2.2%) while the The benchmark KMI-30 Index fell 1,830 points to closer at 69,231 points (↓2.6%). The performance was driven by consumer discretionary sectors as market anticipated weakness in demand following monetary tightening by the SBP and fiscal consolidation by the new Government via the mini-budget. Consequently, Food and Personal Care and Automobile sector caused a combined attrition of 439 points. The Auto sector demand concerns also increased after continuation of ban on non-filers from purchasing cars and news flow of allowance of import of used tractors. Oil & Gas Marketing Companies were also laggards with uncertainty around gas pricing decision, with 15.6% and 11.1% decline in SSGC and SNGP respectively.

Despite rising interest rates, PKR depreciation and higher oil prices, performance of the Banking and Oil & Gas Exploration sectors remained muted. Banking sectors performance was marred by the underperformance of index heavy weights owing to fears of foreign provisioning. However, E&Ps static performance was driven by 1.7% decline in OGDC's stock price mainly due to continued foreign selling.

Foreigners continued to remain net sellers in the market, divesting equities worth USD189mn during the quarter ended Sep-18. These flows were absorbed by Insurance companies and Individuals with investment of USD102mn and USD97mn respectively.

Looking ahead, Pakistan equities are expected to remain range bound as the market continues to await clarity on the government's policy. However, we highlight that the current macro-economic environment bodes well for index heavy weights (E&Ps and Banks) while recent underperformance has opened up valuations of cyclical stocks. We believe Pakistan equities offers a good entry opportunity for long term investors.

Money Market Review

SBP continued its policy of monetary tightening in 1QFY19 to control the rising current account deficit and in anticipation of increasing inflationary pressures. During the quarter, longer tenor yields increased by 77-102 bps with yields of shorter tenor government securities increased by 136-143bps. Secondary market yields of 3, 5 and 10-year PIBs increased by 98, 77 and 102 bps respectively while yields of 3, 6 and 12 month T-Bills increased by 143, 136 and 142 bps respectively. Government of Pakistan raised only PKR 19bn through the PIB auction against a target of PKR 150bn due to lack of interest as market participants expected interest rates to increase with rising commodity prices and inflationary pressures. Latest cut-off yields stood at 9.25% for the 5-year PIB.

During the quarter, Government shifted its borrowing from scheduled banks to SBP. Government retired PKR 1,187bn from scheduled banks against borrowing of PKR 168bn during same period last year due to lack of interest in the auctions. Meanwhile, Government borrowing from SBP increased by PKR 1,115bn during the period against PKR 201bn during same period last year. Government largely managed its borrowing requirements through domestic sources, and raised PKR 4,477bn via T-bills (excluding NCB) compared to the cumulative target of PKR 5,450bn and maturities of PKR 5,661bn. SBP increased the policy rate by 100bps in July and a further 100bps in September to 8.50% to contain aggregate demand and rising current account deficit.

As per latest data available, Islamic Banking industry assets posted 21.9% growth and stood at PKR 2,482 billion by Jun-18. Similarly, deposit of Islamic banks also witnessed a sharp growth of 18.2% YoY and reached PKR 2,033 billion by Jun-18. Despite the massive growth in assets and deposits, SBP did not issue any fixed or floating rate GOP Ijarah Sukuk in FY18 and in 1QFY19. During the quarter, prices of fixed rated Ijarah Sukuk witnessed decline due to lack of demand due to rising interest rate scenario. Three GoP Ijarah Sukuk instruments are fixed rated which cumulatively contribute PKR 268 billion (~70%) out of the total outstanding issue of PKR 384 billion. Corporate debt raising activity was enhanced during the period in order to benefit from surplus liquidity in the system which was well received by Islamic financial institutions due to attractive pricing compared to GoP Ijarah Sukuk. During the upcoming quarter (2QFY19), first issue of GOP Ijara of PKR117.7 billion is scheduled to mature which would be a concern for SLR requirement of Islamic Banks. However, market participants believe that government or SBP will execute "Bai-Muajjal" transaction with banks, effectively roll over maturity of the existing issue.

Going forward, we foresee another interest rate hike of 50-100bps in the calendar year on the back of increasing inflation expectation and expected entry into the IMF program.

Fund's Performance

HBL Pension Fund

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

The Fund as a whole earned total and net income of Rs. 7.62 million and Rs. 4.38 million respectively during the period under review. The fund size decreased from Rs. 577.44 million as on June 30, 2018 to Rs. 574.78 million as at September 30, 2018 thereby showing a decline of 0.46% during the period under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned a total and net income of Rs. 1.93 million and Rs. 0.52 million respectively. The net assets of the Equity sub-fund was Rs. 250.78 million representing Net Asset Value (NAV) of Rs. 366.1677 per unit as at September 30, 2018. The Sub Fund earned a negative return of 0.03% for the period under review. The Fund is invested to the extent of 90% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 2.84 million and Rs. 1.83 million respectively. The net assets of the Debt sub-fund was Rs. 176.75 million representing Net Asset Value (NAV) of Rs. 161.1187 per unit as at September 30, 2018. The Fund yielded annualized return of 3.88% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 2.85 million and Rs. 2.03 million respectively. The net assets of the Money Market sub-fund was Rs. 147.25 million representing Net Asset Value (NAV) of Rs. 149.3514 per unit as at September 30, 2018. An annualized return of 5.55% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

The Fund comprises of three sub funds namely Equity sub-fund, Debt sub-fund and Money Market sub-fund. The Fund as a whole earned a total and net income of Rs. 3.95 million and Rs. 3.38 million respectively during the period under review. The fund size increased from Rs. 357.06 million as at June 30, 2018 to Rs. 361.44 million as at September 30, 2018 showing an increase of 1%. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned and incurred a total income and net loss of Rs. 0.83 million and Rs. 0.25 million respectively. The net assets of the Equity sub-fund was Rs. 180.53 million representing Net Asset Value (NAV) of Rs. 388.5048 per unit as at September 30, 2018. The Fund yielded a return of 0.07% for the period under review. The Sub Fund is invested to the extent of 87% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 1.59 million and Rs. 1.00 million respectively. The net assets of the Debt sub-fund was Rs. 99.07 million representing Net Asset Value (NAV) of Rs. 143.2480 per unit as at September 30, 2018. The Fund yielded annualized return of 3.98% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 1.53 million Rs. 1.02 million respectively. The net assets of the Money Market sub-fund was Rs. 81.84 million representing Net Asset Value (NAV) of Rs. 141.0942 per unit as at September 30, 2018. An annualized return of 4.92% was earned by the Fund for the period under review.

AUDITORS

On the recommendation of Board Audit Committee, the Board has appointed M/s KPMG Taseer Hadi & Co., Chartered Accountants as external auditor for the year ending June 30, 2019 of HBL Pension Fund & HBL Islamic Pension Fund.

Acknowledgement

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

HBL

Pension Fund

FUND INFORMATION

Name of Fund	HBL Pension Fund
Name of Auditor	KPMG Taseer Hadi & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited NIB Bank Limited Sindh Bank Limited Soneri Bank Limited Zarai Taraqiati Bank Limited

HBL Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

	Note	September 30, 2018 (Un-audited)				June 30, 2018 (Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees in '000) -----				----- (Rupees in '000) -----			
ASSETS									
Bank balances	4	23,610	68,963	85,231	177,804	30,584	80,285	89,795	200,664
Investments - net	5	227,794	109,553	64,015	401,362	229,934	101,170	56,676	387,780
Dividend receivable and accrued mark-up		2,342	618	280	3,240	525	1,054	302	1,881
Advances, deposits, prepayments and other receivables		100	100	100	300	105	100	102	307
Total assets		253,846	179,234	149,626	582,706	261,148	182,609	146,875	590,632
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager		351	245	203	799	355	249	202	806
Payable to the Central Depository Company of Pakistan Limited - Trustee		76	51	42	169	35	25	20	80
Payable to the Securities and Exchange Commission of Pakistan		22	15	12	49	78	61	51	190
Accrued expenses and other liabilities	6	2,619	2,173	2,116	6,908	8,232	1,969	1,920	12,121
Total liabilities		3,068	2,484	2,373	7,925	8,700	2,304	2,193	13,197
NET ASSETS		250,778	176,750	147,253	574,781	252,448	180,305	144,682	577,435
PARTICIPANTS' SUB-FUNDS (as per statement attached)		250,778	176,750	147,253	574,781	252,448	180,305	144,682	577,435
Contingencies and commitments									
Number of units in issue	7	684,873	1,097,018	985,953	2,767,844	689,150	1,130,160	982,454	2,801,764
		----- Rupees -----				----- Rupees -----			
Net asset value per unit		366.1677	161.1187	149.3514		366.3184	159.5394	147.2662	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Income Statement And Comprehensive Income (Un-Audited)

For the three months ended September 30, 2018

	Three months ended ended September 30, 2018				Three months ended ended September 30, 2017			
	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	2,788	-	-	2,788	1,594	-	-	1,594
Profit on bank deposits	405	579	1,023	2,007	366	783	1,613	2,762
Mark-up / return on investments	-	2,812	1,789	4,601	-	2,121	1,022	3,143
Capital (loss) / gain on sale of investments - net	(615)	(305)	6	(914)	(4,900)	(174)	13	(5,061)
Unrealized (loss) / gain on revaluation of investments at fair value through profit or loss	(650)	(243)	34	(859)	(25,693)	(281)	6	(1,429)
	1,928	2,843	2,852	7,623	(28,633)	2,449	2,654	1,009
Expenses								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	1,106	753	614	2,473	954	757	665	2,376
Remuneration of Central Depository Company of Pakistan Limited - Trustee	111	76	62	249	96	76	67	239
Annual fee to the Securities and Exchange Commission of Pakistan	22	15	12	49	19	15	13	47
Auditors' remuneration	78	75	75	228	45	45	45	135
Other expenses	9	17	6	32	75	28	-	103
Settlement and bank charges	86	31	10	127	-	20	6	26
	1,412	967	779	3,158	1,189	941	796	2,926
Net (loss) / income from operating activities	516	1,876	2,073	4,465	(29,822)	1,508	1,858	(1,917)
Provision for Workers' Welfare Fund	6.2	(43)	(41)	(84)	-	(36)	(37)	(73)
Net (loss) / income for the period before taxation	516	1,833	2,032	4,381	(29,822)	1,472	1,821	(26,529)
Taxation	8.	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	516	1,833	2,032	4,381	(29,822)	1,472	1,821	(26,529)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	516	1,833	2,032	4,381	(29,822)	1,472	1,821	(26,529)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	Three months ended ended September 30, 2018				Three months ended ended September 30, 2017			
	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	252,448	180,305	144,682	577,435	229,202	185,117	160,032	574,351
Amount received on issuance of units	12,323	10,544	15,562	38,429	37,921	27,881	16,803	82,605
Amount paid on redemption of units	(21,532)	(10,881)	(13,051)	(45,464)	(16,904)	(42,405)	(25,951)	(85,260)
Reallocation among Sub-Funds	7,023	(5,051)	(1,972)	-	(2,077)	523	1,554	-
Net income for the period	516	1,833	2,032	4,381	(29,822)	1,472	1,821	(26,529)
Total comprehensive (loss) / income for the period	516	1,833	2,032	4,381	(29,822)	1,472	1,821	(26,529)
Net assets at end of the period	250,778	176,750	147,253	574,781	218,320	172,588	154,259	545,167

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Cash Flow Statement (Unaudited)
For the three months ended September 30, 2018

	Three months ended ended September 30, 2018				Three months ended ended September 30, 2017			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the period before taxation	516	1,833	2,032	4,381	(29,822)	1,472	1,821	(26,529)
Adjustments:								
Unrealized (loss) / gain on revaluation of investments at fair value through 'profit or loss'	650	243	(34)	859	(25,693)	(281)	6	(25,968)
	1,166	2,076	1,998	4,381	(4,129)	1,753	1,815	(52,497)
(Increase) / decrease in assets								
Investments - net	1,490	(8,626)	(7,305)	(14,441)	(14,509)	35,898	23,916	45,305
Dividend & profit receivable	(1,817)	436	22	(1,359)	(51)	(590)	(160)	(801)
Advances, deposits, prepayments and other receivables	5	-	2	7	-	-	-	-
	(322)	(8,190)	(7,281)	(15,793)	(14,560)	35,308	23,756	44,504
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	(4)	(4)	1	(7)	(41)	(7)	2	(46)
Payable to Central Depository Company of Pakistan Limited - Trustee	41	26	22	89	(4)	(2)	1	(5)
Payable to the Securities and Exchange Commission of Pakistan	(56)	(46)	(39)	(141)	(47)	(43)	(38)	(128)
Accrued expenses and other liabilities	(5,613)	204	196	(5,213)	1,636	235	(346)	1,525
	(5,632)	180	180	(5,272)	1,544	183	(381)	1,346
	(4,788)	(5,934)	(5,103)	(16,684)	(17,145)	37,244	25,190	(6,647)
Net cash (used in) / generated from operating activities	(4,788)	(5,934)	(5,103)	(16,684)	(17,145)	37,244	25,190	(6,647)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	12,323	10,544	15,562	38,429	37,921	27,881	16,803	82,605
Amount paid on redemption of units	(21,532)	(10,881)	(13,051)	(45,464)	(16,904)	(42,405)	(25,951)	(85,260)
Reallocation among Sub-Funds	7,023	(5,051)	(1,972)	-	(2,077)	523	1,554	-
Net cash (used in) / generted from financing activities	(2,186)	(5,388)	539	(7,035)	18,940	(14,001)	(7,594)	(2,655)
Net increase / (decrease) in cash and cash equivalents	(6,974)	(11,322)	(4,564)	(22,860)	1,795	23,243	17,596	42,634
Cash and cash equivalents at beginning of the period	30,584	80,285	89,795	200,664	15,488	18,391	96,629	130,508
Cash and cash equivalents at end of the period	23,610	68,963	85,231	177,804	17,283	41,634	114,225	173,142

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2018.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended Sep 30, 2018.

4. BANK BALANCES	Sep 30, 2018 (Unaudited)				June 30, 2018 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Savings accounts	-	23,610	68,963	85,231	177,804	30,584	80,285	89,795	200,664
	-	23,610	68,963	85,231	177,804	30,584	80,285	89,795	200,664

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 3.75% to 7.5% per annum (2018: 4% - 6.5% per annum).

5. INVESTMENTS - NET	September 30, 2018 (Un-audited)				June 30, 2018 (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) -----								

Investments by category

**At Fair value through Profit
or Loss-Held for Trading**

Listed equity securities	227,794	-	-	227,794	229,934	-	-	229,934
Treasury Bills	-	51,888	50,890	102,778	-	51,434	56,676	108,110
Pakistan Investment Bonds	-	51	-	51	-	52	-	52
Term Finance Certificates and Sukuks	-	45,588	-	45,588	-	45,718	-	45,718
	227,794	97,527	50,890	376,211	229,934	97,204	56,676	383,814

At Ammortized Cost

Commercial papers	-	12,026	13,125	25,151	-	3,966	-	3,966
	227,794	109,553	64,015	401,362	229,934	101,170	56,676	387,780

5.1.1 Listed equity securities - at fair value through profit or loss - Held for trading

Held by Equity Sub-Fund

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 1, 2018	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2018	Market value as at Sep 30, 2018	Market value as a percentage of total investments	Market value as a percentage of net assets of sub-fund
-----Number of shares-----					(Rupees in '000)			
Automobile Assembler								
Millat Tractors Limited	3,060	-	-	3,060	-	-	-	-
Honda Atlas Cars Pakistan Limited	3,500	-	-	3,500	-	-	-	-
Indus Motor Company Limited	1,400	-	-	1,400	-	-	-	-
	7,960	-	-	7,960	-	-	-	-
Automobile Parts and Accessories								
Thal Limited	13,000	-	-	-	13,000	5,681	2.49	0.02
	13,000	-	-	-	13,000	5,681	2.49	0.02
Cement								
Kohat Cement Company Limited	-	11,700	-	-	11,700	1,464	0.64	0.01
D.G. Khan Cement Company Limited	41,000	-	-	-	41,000	4,199	1.84	0.02
Lucky Cement Limited	14,800	1,200	-	1,000	15,000	7,694	3.38	0.03
Pioneer Cement Limited	12,000	-	-	-	12,000	522	0.23	-
Maple Leaf Cement	-	25,000	-	-	25,000	1,178	0.52	-
	67,800	37,900	-	1,000	104,700	15,057	6.61	0.06
Chemical								
Engro Polymer & Chemicals Limited	136,000	50,314	-	41,000	145,314	4,220	1.85	0.02
Engro Polymer & Chemicals Limited (Rights)	50,314	-	-	50,314	-	-	-	-
Descon Oxychem Limited	63,000	-	-	-	63,000	1,773	0.78	0.01
	249,314	50,314	-	91,314	208,314	5,993	2.63	0.03
Commercial Banks								
United Bank Limited	69,400	10,600	-	12,500	67,500	10,395	4.56	0.04
MCB Bank Limited	55,200	7,500	-	-	62,700	12,616	5.54	0.05
Bank Alfalah Limited	224,500	21,000	22,880	37,500	230,880	11,358	4.99	0.05
Bank Al Habib Limited	136,000	16,500	-	-	152,500	12,305	5.40	0.05
Faysal Bank Limited	77,800	-	-	-	77,800	2,089	0.92	0.01
Meezan Bank Limited	107,000	-	-	-	107,000	10,496	4.61	0.04
Askari Bank Limited	113,000	-	-	-	113,000	2,772	1.22	0.01
Bank of Punjab	435,000	-	-	7,000	428,000	5,063	2.22	0.02
	1,217,900	55,600	22,880	57,000	1,239,380	67,094	29.46	0.27
Engineering								
Amreli Steels Limited	29,466	-	-	12,500	16,966	1,102	0.48	-
International Industries Limited	11,900	-	-	700	11,200	2,410	1.06	0.01
Mughal Iron and Steel Industries Limited	42,000	-	-	17,500	24,500	1,199	0.53	-
International Steels Limited	25,800	-	-	2,500	23,300	2,120	0.93	0.01
	109,166	-	-	33,200	75,966	6,831	3.00	0.02
Fertilizer								
Engro Corporation Limited	42,000	-	-	5,500	36,500	11,374	4.99	0.05
Engro Fertilizers Limited	133,500	-	-	15,000	118,500	8,946	3.93	0.04
Fauji Fertilizer Bin Qasim Limited	-	51,000	-	5,500	45,500	1,693	0.74	0.01
Fauji Fertilizer Company Limited	51,490	-	-	12,500	38,990	3,807	1.67	0.02
	226,990	51,000	-	38,500	239,490	25,820	11.33	0.12
GLASS & CERAMICS								
Shabbir Tiles & Ceramics Ltd NC	-	41,500	-	41,500	-	-	-	-
Oil and Gas Exploration Companies								
Oil and Gas Development Company Limited	68,800	29,000	-	-	97,800	14,963	6.57	0.06
Pakistan Petroleum Limited	64,100	-	-	-	64,100	13,679	6.00	0.05
Mari Petroleum Company Limited	7,760	-	-	1,280	6,480	10,098	4.43	0.04
Pakistan Oilfields Limited	14,550	3,500	4,332	-	22,382	11,895	5.22	0.05
	155,210	32,500	4,332	1,280	190,762	50,635	22.22	0.20
Oil and Gas Marketing Companies								
Sui Northern Gas Pipelines Limited	49,700	-	-	-	49,700	4,429	1.94	0.02
Pakistan State Oil Company Limited	26,540	6,500	-	4,500	28,540	9,100	3.99	0.04
Hascol Petroleum Limited	16,900	-	-	-	16,900	4,603	2.02	0.02
	93,140	6,500	-	4,500	95,140	18,132	7.95	0.08
Power Generation and Distribution								
Hub Power Company Limited	104,400	-	-	-	104,400	9,131	4.01	0.04
K-Electric Limited	750,500	317,000	-	145,000	922,500	4,935	2.17	0.02
Searle Pakistan Limited **	7,382	-	-	3,400	3,982	1,258	0.55	0.01
	862,282	317,000	-	148,400	1,030,882	15,324	6.73	0.07

Name of the Investee Company	As at July 1, 2018	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2018	Market value as at Sep 30, 2018	Market value as a percentage of total investments	Market value as a percentage of net assets of sub-fund
Pharmaceuticals								
AGP Limited	19,375	-	-	-	19,375	1,672	0.73	0.01
Highnoon Laboratories Limited	6,160	-	-	-	6,160	2,187	0.96	0.01
	25,535	-	-	-	25,535	3,859	1.69	0.02
Technology and Communication								
Systems Limited	40,000	-	-	6,000	34,000	4,093	1.80	0.02
	40,000	-	-	6,000	34,000	4,093	1.80	0.02
Textile Composite								
Nishat Mills Limited	49,800	-	-	3,700	46,100	6,481	2.85	0.03
Kohinoor Textile Mills Limited	-	27,000	-	-	27,000	1,464	0.64	
Nishat Chunian Limited	-	26,000	-	-	26,000	1,330	0.58	0.01
	49,800	53,000	-	3,700	99,100	9,275	4.07	0.04
	3,118,097	645,314	27,212	434,354	3,356,269	227,794	99.98	0.95

These include 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 of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, have 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 mutual 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 amounting Rs. 0.1691 million (2018: Rs. 0.206 million) and not yet deposited with Government Treasury. Pension Fund Manager is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis.

5.2 Government securities - Treasury bills- At fair value through Profit or loss-Held for Trading

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 September 30, 2018	Market value as at September 30, 2018	Market value as a percentage of	
		As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018			Total investments of the sub-fund	Net assets of the sub-fund
----- (Rupees in '000) ----- % -----									
Treasury Bill - 3 months	June 7, 2018	52,000	-	52,000	-	-	-	-	-
Treasury Bill - 3 months	July 26, 2018	-	45,700	45,700	-	-	-	-	-
Treasury Bill - 3 months	June 7, 2018	-	8,500	8,500	-	-	-	-	-
Treasury Bill - 3 months	July 19, 2018	-	670,000	150,000	520,000	51,911	51,888	47.36	29.36
		52,000	724,200	256,200	520,000	51,911	51,888	47.36	29.36
Pakistan investment bonds									
Pakistan Investment Bonds 5 years	August 9, 2018	50	200,000	200,000	50	52	51	0.05	0.03
		50	200,000	200,000	50	52	51	0.05	0.03

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 September 30, 2018	Market value as at September 30, 2018	Market value as a percentage of	
		As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018			Total investments of the sub-fund	Net assets of the sub-fund
		----- (Rupees in '000) -----						----- % -----	
Treasury Bill - 6 months	June 7, 2018	57,300	-	57,300	-	-	-	-	
Treasury Bill - 3 months	August 2, 2018	-	100,000	100,000	-	-	-	-	
Treasury Bill - 3 months	April 26, 2018	-	79,300	79,300	-	-	-	-	
Treasury Bill - 3 months	July 19, 2018	-	952,000	442,000	510,000	50,912	50,890	34.56	
		57,300	1,131,300	678,600	510,000	50,912	50,890	34.56	

5.4 Term Finance Certificates and Sukuk bonds - At fair value through Profit or loss-Held For Trading

5.4.1 Held by Debt Sub-Fund

Name of the investee company	Number of certificates				Amortized cost as at September 30, 2018	Market value / Carrying value as at September 30, 2018	Market value as a percentage of	
	As at July 1, 2018	Purchases during the year	Sales / Matured during the year	As at September 30, 2018			Total investments of the sub-fund	Net assets of the sub-fund
	----- (Rupees in '000) -----						----- % -----	
Commercial Banks								
Bank Alfalah Limited	2,550	-	-	2,550	12,904	12,705	11.60	7.19
JS Bank Limited	850	-	850	-	-	-	-	-
Bank of Punjab	85	-	-	85	8,491	8,176	7.46	4.63
Fertilizers								
Dawood Hercules Corporation Limited Sukuk *	40	-	-	40	4,000	4,009	3.66	2.27
Multiutilities								
K-Electric Limited	3,500	-	2,300	1,200	4,500	4,529	4.13	2.56
Miscellaneous								
International Brands Limited Sukuk	40	-	-	40	4,000	4,046	3.69	2.29
Jahangir Siddiqui and Company Limited	2,000	-	-	2,000	10,000	10,024	9.15	5.67
Multiutilities								
Water and Power Development Authority	798	-	-	798	2,084	2,099	1.92	1.19
	9,863	-	3,150	6,713	45,979	45,588	41.61	25.80

* Related party due to common directorship

5.4.2 Commercial papers - At Amortized Cost

Held by Debt Sub-Fund

Name of Company	Maturity Date	Placement made during the year	Income Accrued	Matured during the year	As at Sep 30, 2018	Percentage of total value of investments	Percentage of Net Assets
Crescent Steel & Allied Products Limited	August 15, 2018	3,721	245	4,000	-	-	-
Hascol Petroleum	January 3, 2019	4,223	959	-	4,309	3.93	2.44
k-Electric	February 28, 2019	7,655	1,877	-	7,717	7.04	4.37
		15,599	3,081	4,000	12,026	11	7

Held by Money Market Fund

Name of Company	Maturity Date	Placement made during the year	Income Accrued	Matured during the year	As at Sep 30, 2018	Percentage of total value of investments	Percentage of Net Assets
Hascol Petroleum	January 3, 2019	6,719	153	-	6,855	6.26	3.88
k-Electric	February 28, 2019	6,219	51	-	6,270	5.72	3.55
		12,938	204	-	13,125	12	7

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2018 (Un-audited)				June 30, 2018 (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	156	154	154	464	78	78	78	234	
Payable against purchase of investments	-	-	-	-	5,714	-	-	5,714	
Payable against redemption of units	48	292	533	873	30	215	456	701	
Federal Excise Duty	6.1	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Welfare Fund	6.2	1,643	828	588	3,059	1,643	785	548	2,976
Other payable	9	21	5	35	4	13	2	19	
	2,619	2,173	2,116	6,908	8,232	1,969	1,920	12,121	

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.1 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 0.763 million. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at June 30, 2018 would have been higher by Rs. 1.11, Rs. 0.80 and Rs. 0.848 (2017: Rs. 1.11, Rs. 0.78 and Rs. 0.85) per unit respectively. However after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

6.2 PROVISION FOR WORKERS' WELFARE FUND

The legal status of applicability of Workers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 12.3 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is a loss for the three months ended September 30, 2018, therefore, no provision for SWWF has been made recognised in this condensed interim financial information. Had the provision not been made, net asset value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund at September 30, 2018 would have been higher by Rs. 2.39, Rs.0.75 and Rs 0.59 (June 30, 2018 Rs. 2.38, Re.0.69 and Re. 0.56) per unit.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018.

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

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

9.1 Transactions during the period	Three months ended ended September 30, 2018				Three months ended ended September 30, 2017			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	------(Rupees in '000)-----				------(Rupees in '000)-----			
HBL Asset Management Limited - Pension Fund Manager								
Management fee	1,106	753	614	2,473	954	757	665	2,376
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	76	127	96	299	136	84	124	344
Profit received on bank deposits	128	47	38	213	131	46	114	291
Central Depository Company of Pakistan Limited - Trustee								
	------(Rupees in '000)-----				------(Rupees in '000)-----			
Remuneration	111	76	62	249	96	76	67	239
Directors and their relatives								
	----- Number -----				----- Number -----			
Reallocation of units	1,448	(2,457)	(723)	(1,732)	71	(398)	264	(63)
Amount of units Reallocated	499	(392)	(107)	-	23	(58)	35	-
Executives and their relatives								
	----- Number -----				----- Number -----			
Reallocation of units	124	(197)	(39)	(112)	-	-	-	-
Amounts of units Reallocated	43	(37)	(6)	-	-	-	-	-
Redemption of units	399	366	-	765	-	-	-	-
Amounts of units Redeemed	142	34	-	176	-	-	-	-

9.2 Balances outstanding as at period end	Three months ended ended September 30, 2018				Three months ended ended September 30, 2017			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	311	217	180	708	314	220	179	713
Sindh Sales Tax payable	40	28	23	91	41	29	23	93
Federal Excise Duty payable	763	878	836	2,477	763	878	836	2,477
Habib Bank Limited - Sponsor								
	----- Number -----				----- Number -----			
Units held	300,000	300,000	300,000	900,000	300,000	300,000	300,000	900,000
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Amount of units held	109,850	48,336	44,805	202,991	109,896	47,862	44,180	201,938
Mark-up accrued on deposits with bank	41	99	81	221	103	16	10	129
Balance in savings account	16,150	33,724	26,952	76,826	8,445	8,680	9,856	26,981
Directors and Executives of the Pension Fund Manager and their relatives								
	----- Number -----				----- Number -----			
Units held	10,270	53,170	14,392	77,832	8822	55627	15116	79,565
Amount of units held	3,761	8,567	2,150	14,478	3,231	8,875	2,226	28,664
Executives and their relatives								
	----- Number -----				----- Number -----			
Units held	9,148	4,071	980	14,199	10,963	8,059	1,019	20,041
Amount of units held	3,350	656	146	4,152	4,016	1,286	150	5,452
Directors of Habib Bank Limited Executives and their relatives								
	----- Number -----				----- Number -----			
Units held	-	-	-	-	10,286	80,629	29,209	240,248
Amount of units held	-	-	-	-	3,768	12,864	4,301	41,866
Central Depository Company of Pakistan Limited - Trustee								
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Remuneration payable	76	51	42	169	35	25	20	80
Security deposit receivable	100	100	100	300	100	100	100.00	300

9 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and"

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

		Sep 30, 2018						
		Carrying Amount			Fair Value			
	Note	Held for trading	At Amortized Cost	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	4.1	227,794	-	-	227,794	227,794	-	227,794
Government securities								
- Treasury Bills		102,778	-	-	102,778	-	102,778	102,778
- Pakistan Investment Bonds		51	-	-	51	-	51	51
Term Finance Certificates and Sukuk Bonds - Unlisted		45,588	-	-	45,588	-	45,588	45,588
		<u>376,211</u>	<u>-</u>	<u>-</u>	<u>376,211</u>	<u>227,794</u>	<u>148,417</u>	<u>376,211</u>
Financial assets not measured at fair value								
Bank balances	9.1	-	177,804	-	177,804	-	-	-
Investments								
- Unlisted equity securities		-	-	-	-	-	-	-
- Term Deposit Receipts (TDRs)		-	-	-	-	-	-	-
Dividend receivable and accrued mark-up		-	3,240	-	3,240	-	-	-
Placements		-	25,151	-	25,151	-	-	-
Advances, deposits, prepayments and other receivables		-	300	-	300	-	-	-
		<u>-</u>	<u>206,495</u>	<u>-</u>	<u>206,495</u>	<u>-</u>	<u>-</u>	<u>-</u>
		Sep 30, 2018						
		Carrying Amount			Fair Value			
	Note	Held for trade	Loans and receivables	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
		(Rupees in '000)						
Financial liabilities not measured at fair value								
Payable to the Pension Fund Manager		-	-	707	707	-	-	-
Payable to the Trustee		-	-	150	150	-	-	-
Payable to the Securities and Exchange Commission of Pakistan		-	-	49	49	-	-	-
Accrued expenses and other liabilities		-	-	1,372	1,372	-	-	-
Participants' Sub Funds		-	-	574,781	574,781	-	-	-
		<u>-</u>	<u>-</u>	<u>577,059</u>	<u>577,059</u>	<u>-</u>	<u>-</u>	<u>-</u>

		June 30, 2018						
		Carrying Amount			Fair Value			
	Note	Held for trading	At Ammortized Cost	Held to maturity	Total	Level 1	Level 2	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments	5							
- Listed equity securities		229,934	-	-	229,934	229,934	-	229,934
Government securities								
- Treasury Bills		108,110	-	-	108,110	-	108,110	108,110
- Pakistan Investment Bonds		52	-	-	52	-	52	52
Term Finance Certificates and Sukuk Bonds - Unlisted		45,718	-	-	45,718	-	45,718	45,718
		<u>383,814</u>	<u>-</u>	<u>-</u>	<u>383,814</u>	<u>229,934</u>	<u>153,880</u>	<u>383,814</u>
Financial assets not measured at fair value								
Bank balances		-	200,664	-	200,664	-	-	-
Investments								
- Unlisted equity securities		-	-	-	-	-	-	-
- Term Deposit Receipts (TDRs)		-	-	-	-	-	-	-
- Dividend Receivables and accrued markup		-	2,208	-	2,208	-	-	-
Advances, deposits, prepayments and other receivables		-	307	-	-	-	-	-
Placements		-	3,966	-	-	-	-	-
		<u>-</u>	<u>207,145</u>	<u>-</u>	<u>202,872</u>	<u>-</u>	<u>-</u>	<u>-</u>
		June 30, 2018						
		Carrying Amount			Fair Value			
	Note	Held for trading	At amortized	Held to maturity	Total	Level 1	Level 2	Total
(Rupees in '000)								
Financial liabilities not measured at fair value								
Payable to the Pension Fund Manager		713	-	-	713	-	-	-
Payable to the Trustee		71	-	-	71	-	-	-
Payable to the Securities and Exchange Commission of Pakistan		168	-	-	168	-	-	-
Accrued expenses and other liabilities		6,668	-	-	6,668	-	-	-
Participants' Sub Funds		577,435	-	-	577,435	-	-	-
		<u>585,055</u>	<u>-</u>	<u>-</u>	<u>585,055</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

9.2 Valuation techniques

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

9.3 Transfers during the year

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

10. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 17, 2018.

11. CORRESPONDING FIGURES

The corresponding figures has been adjusted as detailed below due to initial application of IFRS - 9.

	June 30, 2018 (Rupees in '000)
<u>Statement of Assets and liabilities:</u>	
Investment classified as available for sale now classified as Financials Assets at fair value through profit in loss	55,260
<u>Condensed Interim Income Statement & Other Comprehensive Income</u>	September 30, 2017 (Rupees in '000)
"Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale" in the Condensed Interim Statement of Other Comprehensive Income is now classified as "Net unrealized / (diminution) on re-measurements of investments at fair value through profit" in the Condensed Interim Income Statement	619

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Pension Fund

FUND INFORMATION

Name of Fund	Islamic Pension Fund
Name of Auditor	KPMG Taseer Hadi & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Faysal Bank Limited Allied Bank Limited Dubai Islamic Bank Summit Bank Limited Meezan Bank Limited Bank Al Habib Limited Bank Islami Pakistan Limited

HBL Islamic Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2018

	September 30, 2018 (Un-Audited)				June 30, 2018 (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	22,572	54,477	75,146	152,195	22,106	64,977	83,992	171,075
Investments - net	5	163,708	44,606	7,197	215,511	153,805	36,959	-	190,764
Dividend receivable and accrued mark-up		1,937	1,097	515	3,549	362	778	343	1,483
Advances, deposits, prepayments and other receivables		100	100	100	300	100	130	112	342
Total assets		188,317	100,280	82,958	371,555	176,373	102,844	84,447	363,664
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager		255	137	117	509	239	138	112	489
Payable to the Central Depository Company of Pakistan Limited - Trustee		53	29	24	106	24	14	11	49
Payable to the Securities and Exchange Commission of Pakistan		15	8	7	30	57	32	25	114
Accrued expenses and other liabilities	6	7,465	1,035	972	9,472	4,152	929	868	5,949
Total liabilities		7,788	1,209	1,120	10,117	4,472	1,113	1,016	6,601
NET ASSETS		180,529	99,071	81,838	361,438	171,901	101,731	83,431	357,063
PARTICIPANTS' SUB-FUNDS (as per statement attached)		180,529	99,071	81,838	361,438	171,901	101,731	83,431	357,063
Contingencies and commitments									
Number of units in issue	7	464,676	691,601	580,025	1,736,302	442,737	717,333	598,657	1,758,727
		Rupees				Rupees			
Net asset value per unit		388.5048	143.2480	141.0942		388.2683	141.8178	139.3646	

The annexed notes 1 to 13 form an integral part of financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months ended September 30, 2018

	Three months ended September 30, 2018				Three months ended September 30, 2017			
	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	1,963	-	-	1,963	1,119	-	-	1,119
Profit on bank deposits and Term Deposit	327	1,075	1,430	2,832	253	717	787	1,757
Mark-up / return on investments	-	689	103	792	-	674	225	899
Capital gain on sale of investments	(7)	-	-	(7)	(3,881)	73	10	(3,798)
	2,283	1,764	1,533	5,580	(2,509)	1,464	1,022	(23)
Unrealized (loss)/ gain on investment classified as 'held for trading'	(1,457)	(170)	-	(1,627)	(21,958)	(365)	53	(554)
	826	1,594	1,533	3,953	(24,467)	1,099	1,075	(577)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	763	426	357	1,546	813	423	320	1,556
Remuneration of Central Depository Company of Pakistan Limited - Trustee	77	43	36	156	81	42	32	155
Annual fee to the Securities and Exchange Commission of Pakistan	15	8	7	30	15	8	6	29
Auditors' remuneration	75	75	75	225	35	35	35	105
Amortisation of preliminary expenses and floatation costs	-	-	-	-	-	-	-	-
Settlement and bank charges	151	5	5	161	62	4	-	66
Other expenses	6	13	6	25	7	3	-	10
	1,087	570	486	2,143	1,013	515	393	1,921
Net (loss) / income from operating activities	(261)	1,024	1,047	3,437	(25,480)	584	682	(2,498)
Provision for Workers' Welfare Fund	6.2 (9)	(24)	(20)	(53)	-	(18)	(13)	(31)
Net income for the period before taxation	(252)	1,000	1,027	3,384	(25,480)	566	669	(2,529)
Taxation	8. -	-	-	-	-	-	-	-
Net income for the period after taxation	(252)	1,000	1,027	3,384	(25,480)	566	669	(24,245)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(252)	1,000	1,027	3,384	(25,480)	566	669	(24,245)

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the three months ended September 30, 2018

	Three months ended September 30, 2018				Three months ended September 30, 2017			
	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	171,901	101,731	83,431	357,063	207,430	95,942	78,580	381,952
Amount received on issuance of units	13,362	3,252	10,907	27,521	21,813	18,912	8,194	48,919
Amount paid on redemption of units	(7,669)	(4,468)	(12,784)	(24,921)	(20,817)	(12,142)	(18,631)	(51,590)
Reallocation among Sub-Funds	3,187	(2,443)	(744)	-	(90)	(594)	684	-
Net income for the period	(252)	1,000	1,027	1,775	(25,480)	566	669	(24,245)
Total comprehensive income for the period	(252)	1,000	1,027	1,775	(25,480)	566	669	(24,245)
Net assets at end of the period	180,529	99,072	81,838	361,438	182,857	102,685	69,497	355,036

The annexed notes 1 to 13 form an integral part of financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Cash Flow Statement (Unaudited)

For the three months ended September 30, 2018

	Three months ended September 30, 2018				Three months ended September 30, 2017			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period before taxation	(252)	1,000	1,027	1,775	(25,480)	566	669	(24,245)
Investments - net	(9,903)	(7,647)	(7,197)	(24,747)	(5,038)	(7,179)	(2,947)	(15,164)
Dividend and profit receivale	(1,575)	(319)	(171)	-	(45)	(38)	6	(77)
Advances, deposits, prepayments and other receivables	-	30	12	42	-	2,400	-	2,400
	(11,478)	(7,936)	(7,356)	(24,705)	(5,083)	(4,817)	(2,941)	(12,841)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	16	(1)	5	20	(43)	9	(13)	(75)
Payable to Central Depository Company of Pakistan Limited - Trustee	29	15	13	57	(5)	1	(1)	(13)
Payable to Securities and Exchange Commission of Pakistan	(42)	(24)	(18)	(84)	(51)	(22)	(17)	(90)
Accrued expenses and other liabilities	3,313	106	104	3,523	522	60	70	652
	3,316	96	104	3,516	423	48	39	474
Dividend income received	(8,414)	(6,840)	(6,225)	(19,414)	(8,736)	(3,838)	(2,286)	(36,612)
Mark-up income received	-	-	-	-	-	-	-	-
Net cash (used in) / generated from operating activities	(8,414)	(6,840)	(6,225)	(19,414)	(8,736)	(3,838)	(2,286)	(36,612)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	13,362	3,252	10,907	27,521	21,813	18,912	8,194	48,919
Amount paid on redemption of units	(7,669)	(4,468)	(12,784)	(24,921)	(20,817)	(12,142)	(18,631)	(51,590)
Reallocation among Sub-Funds	3,187	(2,443)	(744)	-	(90)	(594)	684	-
Net cash generated from / (used in) financing activities	8,880	(3,659)	(2,621)	2,600	906	6,176	(9,753)	(2,671)
Net increase / (decrease) in cash and cash equivalents	466	(10,499)	(8,846)	(18,879)	(7,830)	2,338	(12,039)	(17,531)
Cash and cash equivalents at beginning of the period	22,106	64,977	83,992	171,075	22,092	63,363	79,212	164,667
Cash and cash equivalents at end of the period	22,572	54,478	75,146	152,196	14,262	65,701	67,173	147,136

The annexed notes 1 to 13 form an integral part of financial statements

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the three months ended September 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

3.2 The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of accounting

policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

3.3 "The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018."

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

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2018.

4. BANK BALANCES

	September 30, 2018 (Un-audited)				June 30, 2018 (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)-----			
Savings accounts	22,572	54,477	42,846	119,895	22,106	45,477	68,492	136,075
Term Deposit Receipts (TDRs)	-	-	32,300	32,300	-	19,500	15,500	35,000
	22,572	54,477	75,146	152,195	22,106	64,977	83,992	171,075

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 3.75% to 7.10% per annum (2018: 3.5% - 8.35% per annum).

5. INVESTMENTS

	September 30, 2018 (Un-audited)				June 30, 2018 (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)-----				
Investments by category:									
At Fair value through Profit or Loss- Held for trading									
Listed equity securities	5.1	163,708	-	-	163,708	153,805	-	-	153,805
Ijarah Sukuks		-	25,556	-	25,556	-	25,766	-	25,766
Sukuk certificates - Unlisted	5.2	-	16,700	-	16,700	-	11,193	-	11,193
		163,708	42,256	-	205,964	153,805	36,959	-	190,764
At Amortized Cost									
Commercial papers	5.3	-	2,350	7,197	9,547				
		163,708	44,606	7,197	215,511	153,805	36,959	-	190,764

5.1 Listed equity securities - at fair value through profit or loss - Held for trading

Held by Equity Sub-Fund

Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise

Name of the Investee Company

Name of the Investee Company	As at July 1, 2018	Purchases during the year	Bonus/ Rights issue	Sales during the year	As at Sep 30, 2018	Market value as at Sep 30, 2018	Market value as a percentage of total investments of the sub-fund	Market value as a percentage of net assets of sub-fund
	Number of shares				(Rupees in '000)		%	
Automobile Assembler								
Millat Tractors Limited	4,060	-	-	4,060	-	-	-	-
	4,060	-	-	4,060	-	-	-	-
Automobile Parts & Accessories								
Thal Limited	9,800	8,550	-	1,700	16,650	7,276	4.4	4.03
	9,800	8,550.00	-	1,700.00	16,650	7,276	4.40	4.03
Cement								
Kohat Cement Company Limited	5,900	1,600	-	-	7,500	939	0.6	0.52
Lucky Cement Limited	12,150	1,200	-	-	13,350	6,848	4.2	3.79
D.G. Khan Cement Company Limited	28,000	3,800	-	-	31,800	3,257	2.0	1.80
Maple leaf Cement	-	56,500	-	-	56,500	2,661	1.6	1.47
Pioneer Cement Limited	16,000	2,000	-	-	18,000	782	0.5	0.43
	62,050	65,100	-	-	127,150	14,487	8.90	8.01
Chemical								
Engro Polymer & Chemicals Limited	132,885	-	-	6,500	126,385	3,859	2.4	2.14
Descon Oxychem	56,500	35,000	-	-	91,500	2,575	1.6	1.43
	189,385	35,000	-	6,500	217,885	6,434	4.00	3.57
Commercial Banks								
Meezan Bank Limited	110,500	-	11,050	-	121,550	10,840	6.6	6.00
	110,500	-	11,050	-	121,550	10,840	6.60	6.00
Engineering								
Amreli Steel Limited	19,300	-	-	-	19,300	1,254	0.8	0.69
International Industries Limited	7,700	4,000	-	-	11,700	2,518	1.5	1.39
International Steel limited	20,800	-	-	-	20,800	1,892	1.2	1.05
Aisha Steel Limited	45,000	-	-	-	45,000	578	0.4	0.32
Mughal Iron and Steel Industries Limited	33,000	-	-	15,000	18,000	881	0.5	0.49
	125,800	4,000	-	15,000	114,800	7,123	4.40	3.94
Fertilizer								
Engro Corporation Limited	35,900	-	-	-	35,900	9,162	5.6	5.08
Engro Fertilizer Limited	150,000	-	-	17,500	132,500	10,002	6.1	5.54
Dawood Hercules Corporation	-	-	25,400	-	25,400	2,706	1.7	1.50
Fauji Fertilizers Limited	37,000	-	-	9,500	27,500	2,685	1.6	1.49
	222,900	-	25,400	27,000	221,300	24,555	15.00	13.61
Glass and Ceramics								
Shabbir Tiles & Ceramics Limited	75,000	-	-	75,000	-	-	-	-
	75,000	-	-	75,000	-	-	-	-
Oil and Gas Exploration Companies								
Oil and Gas Development Company Limited	64,300	-	41,400	-	105,700	16,171	9.9	8.96
Pakistan Petroleum Limited	48,900	-	13,100	-	62,000	13,231	8.1	7.33
Pakistan Oilfields Limited	11,300	2,400	4,400	1,300	16,800	9,227	5.6	5.11
Mari Petroleum Company Limited	6,000	-	-	200	5,800	9,038	5.5	5.01
	130,500	2,400	58,900	1,500	190,300	47,667	29.10	26.41
Oil and Gas Marketing Companies								
Pakistan State Oil Company Limited	23,680	-	1,600	-	25,280	8,060	4.9	4.46
Sui Northern Gas Company Limited	42,000	-	31,500	-	73,500	6,550	4.0	3.63
Sui Southern Gas Company Limited	70,000	-	-	70,000	-	-	-	-
Hascol Petroleum Limited	13,500	-	-	-	13,500	3,677	2.2	2.04
	149,180	-	33,100	70,000	112,280	18,287	11.10	10.13
Paper and Board								
Packages Limited	3,150	-	-	-	3,150	1,408	0.9	0.78
	3,150	-	-	-	3,150	1,408	0.90	0.78
Pharmaceuticals								
AGP Limited	12,375	-	-	-	12,375	1,068	0.7	0.59
The Searl Company Limited ***	10,062	-	-	4,400	5,662	1,789	1.1	0.99
	22,437	-	-	4,400	18,037	2,857	1.80	1.58
Power Generation and Distribution								
Hub Power Company Limited	88,600	-	-	-	88,600	7,750	4.7	4.29
K-Electric Limited	725,500	-	95,000	155,000	665,500	3,560	2.2	1.97
	814,100	-	95,000	155,000	754,100	11,310	6.90	6.26
Textile Composite								
Kohinoor Textile Mills Ltd	-	-	37,000	-	37,000	2,007	-	-
Nishat Mills Limited	48,000	-	-	-	48,000	6,748	4.1	3.74
	48,000	-	-	-	85,000	8,755	4.10	3.74
Technology & Communication								
Systems Limited	36,500	-	-	14,000	22,500	2,709	1.7	1.50
	36,500	-	-	14,000	22,500	2,709	1.70	1.50
	2,003,362	115,050	223,450	374,160	2,004,702	163,708	98.90	89.56

*** These represent 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 of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, have 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 mutual 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 amounting Rs.0.333 million (2018: 0.117 million) and not yet deposited with Government Treasury. Pension Fund Manager is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis.

5.2 Investment in Government Securities - Ijarah sukuk - at fair value through profit or loss - Held for trading

5.2.1 Held by Debt Sub-Fund

GoP Ijarah Sukuks - having face value of Rs. 100 each	Note	Issue date	Face value				Amortised cost as at September 30, 2018	Market value as at September 30, 2018	Market value as a percentage of	
			As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018			Total investments of the sub-fund	Net assets of the sub-fund
----- (Rupees in '000) ----- % -----										
GoP Ijarah Sukuk		December 18, 2015	14,500	-	-	14,500	14,622	14,454	32.40	14.59
GoP Ijarah Sukuk		February 15, 2016	6,200	-	-	6,200	6,219	6,163	13.82	6.22
GoP Ijarah Sukuk		March 29, 2016	5,000	-	-	5,000	5,099	4,939	11.07	4.99
			25,700	-	-	25,700	25,940	25,556	57.2900	25.8000

5.2.2 Term finance certificates and sukuk bonds - at fair value through profit or loss - Held for trading

Held by Debt Sub-Fund

Name of the Investee company	Face value				Amortized cost as at September 30, 2018	Market value as at September 30, 2018	Market value as a percentage of	
	As at July 1, 2018	Purchases during the period	Sales / matured during the period	As at September 30, 2018			Total investments of the sub-fund	Net assets of the sub-fund
----- (Rupees in '000) ----- % -----								
Fertilizers								
Fatima Fertilizers Company Limited	457	-	-	457	1,625	1,611	3.61	1.63
M ultiutilities								
Water and Power Development Authority	474	-	-	474	1,238	1,247	2.80	1.26
Pharmaceuticals								
AGP Limited	24	-	-	24	1,820	1,814	4.07	1.83
Fertilizers								
Dawood Hercules Corporation Limited Sukuk *	20	-	-	20	2,000	2,004	4.49	2.02
Engro Fertilizer Limited	900	-	-	900	1,599	1,585	3.55	1.60
M iscellaneous								
International Brands Limited Sukuk	20	-	-	20	2,000	2,023	4.54	2.04
M ultiutilities								
K-Electric	-	1,700	-	1,700	6,375	6,416	21.23	6.48
Total	1,895	1,700	-	3,595	16,657	16,700	44.290	16.860

* Related party due to common directorship

5.3 Commercial papers - Loans and Receiveables

5.3.1 Held by Debt Sub-Fund

Name of Company	Maturity Date	Placements made during the year	Income Accrued	Matured during the year	As at Sep 30, 2018	Market Value as a	
						Percentage of total value of investments	Percentage of Net Assets
------(Rupees in '000)-----%							
Hascol Petroleum Limited	January 3, 2019	2,304	46	-	2,350	5.3	2.37
		2,304	46	-	2,350	5.3	2.4

5.3.1.1 This commercial paper has been placed at discount at a rate of 8.29% and is being amortised over a year of 182 days.

5.3.1 Held by Money Market Sub-Fund

Name of Company	Maturity Date	Placements made during the year	Income Accrued	Matured during the year	As at Sep 30, 2018	Market Value as a % of	
						Percentage of total value of investments	Percentage of Net Assets
------(Rupees in '000)-----%							
k-Electric	February 28, 2019	3,349	27	-	3,376	46.91	4.13
Hascol Petroleum Limited	January 3, 2019	3,744	77	-	3,821	53.09	4.67
		7,093	104	-	7,197	100	8.80

5.3.2 These commercial paper has been placed at discount at a rate of 8.95% and 8.29 %and is being amortised over a year of 182 days.

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2018 (Un-audited)				June 30, 2018 (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	154	154	154	462	79	79	80	238
Payable against purchase of investments	3,793	-	-	3,793	724	-	-	724
Federal Excise Duty	6.1 879	488	383	1,750	879	488	383	1,750
Provision for Sindh Workers' Welfare Fund	6.2 1,961	286	215	2,462	1,952	266	196	2,414
Payable against redemption of units	14	95	212	533	11	94	208	313
Other payable	664	12	8	684	507	2	1	510
	7,465	1,035	972	9,684	4,152	929	868	5,949

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 11.2 to the annual audited financial statements of the Fund for the year ended June 30, 2018, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 1.75 million. Had the provision not been made, the Net Asset Value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund as at September 30, 2018 would have been higher by Rs. 1.87, Re 0.71 and 0.66 (June 30, 2018: Rs. 1.98, Re 0.68 & Re.0.63) per unit.

6.2 PROVISION FOR WORKERS' WELFARE FUND

The legal status of applicability of Woekers' Welfare Fund and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 18 to the annual audited financial statements of the Fund for the year ended June 30, 2018.

As there is a loss for the three months ended September 30, 2018, therefore, no provision for SWWF has been maderecognised in this condensed interim financial information Had the provision not been made, net asset value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund at September 30, 2018 would have been higher by Rs. 4.22, Re.0.41 and Re 0.37 (June 30, 2018 Rs. 4.41, Re.0.37 and Re. 0.33) per unit.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2018.

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

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

9.1 Transactions during the period

	Three months ended September 30, 2018				Three months ended September 30, 2017			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration	763	426	357	1,546	813	423	320	1,556
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	85	11	13	109	54	128	173	355
Profit received on bank deposits	112	16	17	145	59	110	141	310
Directors and Executives of the Pension Fund Manager and their relatives								
Reallocation of units	2,988	(5,356)	(2,349)	(4,717)	1	(3)	-	(2)
Amount of units Reallocated	1,088	(760)	(328)	-	-	-	-	-
Executives and their relatives								
Reallocation of units	1,317	(3,619)	-	(2,302)	24	(80)	15	(41)
Amount of units Reallocated	514	(514)	-	-	8	(10)	2	-
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration	77	43	36	156	81	42	32	155

9.2 Balances outstanding as at period / year end

	September 30, 2018 (Un-audited)				June 30, 2018 (Audited)			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	226	121	104	451	212	122	99	433
Sindh Sales Tax payable	29	16	13	58	27	16	13	56
Federal Excise Duty payable	879	488	383	1,750	879	488	383	1,750
Habib Bank Limited - Sponsor								
	Number				Number			
Units held	300,000	300,000	300,000	900,000	300,000	300,000	300,000	900,000
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	116,551	42,974	42,328	201,853	116,480	42,545	41,809	200,834
Profit accrued on deposits with bank	21	22	41	84	48	27	45	120
Balance in savings account	10,850	643	1,062	12,555	10,832	5,152	8,494	24,478

	September 30, 2018 (Un-audited)				June 30, 2018 (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)			
Directors and Executives of the Pension Fund Manager and their relatives								
Directors of the Management Company and their relatives								
	Number				Number			
Units held	36,522	83,163	31,595	151,280	33,534	88,519	33,945	155,998
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	14,189	11,913	4,458	30,560	13,020	12,554	4,731	30,305
Executives and their relatives								
	Number				Number			
Units held	13,155	8,683	-	21,838	-	-	-	-
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	5,111	1,244	-	-	-	-	-	-
Directors of the Habib Bank Limited - Sponsor and their relatives								
Units held	-	-	-	-	6,743	19,646	-	26,389
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	-	-	-	-	2,618	2,786	-	5,404
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration payable	53	29	24	106	24	14	11	49
Security deposit receivable	100	100	100	300	100	100	100.00	300

10 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

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

		Sep 30, 2018							
		Carrying amount			Fair Value				
Note	Held For trade	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments:	5								
- Listed equity securities		163,708	-	-	163,708	163,708	-	-	163,708
- Government of Pakistan - Ijarah Sukuks		16,700	-	-	16,700	-	16,700	-	16,700
- Sukuk certificates		25,556	-	-	25,556	-	25,556	-	25,556
		205,964	-	-	205,964	163,708	42,256	-	205,964
Financial assets not measured at fair value									
	10.1								
Bank balances		-	152,195	-	152,195	-	-	-	-
Dividend receivable and accrued mark-up		-	3,549	-	3,549	-	-	-	-
Advances, deposits and other receivables		-	300	-	300	-	-	-	-
Placements			9,547						
		-	156,044	-	156,044	-	-	-	-
Financial liabilities not measured at fair value									
	10.1								
Payable to the Pension Fund Manager		-	-	450	450	-	-	-	-
Payable to the Trustee		-	-	94	94	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan		-	-	30	30	-	-	-	-
Accrued expenses and other liabilities		-	-	5,472	5,472	-	-	-	-
Participants' sub-funds		-	-	361,438	361,438	-	-	-	-
		-	-	367,484	367,484	-	-	-	-

		June 30, 2018							
		Carrying amount			Fair Value				
		Held for Trade	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments:	5								
- Listed equity securities		44,796	-	-	44,796	44,796	-	-	44,796
- Government of Pakistan - Ijarah Sukuks		25,766	-	-	25,766	-	25,766	-	25,766
- Sukuk certificates - Unlisted		4,803	-	-	4,803	-	4,803	-	4,803
		<u>75,365</u>	<u>-</u>	<u>-</u>	<u>75,365</u>	<u>44,796</u>	<u>30,569</u>	<u>-</u>	<u>75,365</u>
Financial assets not measured at fair value 10.1									
Bank balances		-	171,075	-	171,075	-	-	-	-
Investments:									
-Unlisted Equity Securities		-	-	-	-	-	-	-	-
Dividend receivable and accrued mark-up		-	1,483	-	1,483	-	-	-	-
Advances, deposits and other receivables		-	342	-	342	-	-	-	-
		<u>-</u>	<u>172,900</u>	<u>-</u>	<u>172,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value 10.1									
Payable to the Pension Fund Manager		-	-	433	433	-	-	-	-
Payable to the Trustee		-	-	43	54	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan		-	-	101	119	-	-	-	-
Accrued expenses and other liabilities		-	-	1,785	5,566	-	-	-	-
Participants' sub-funds		-	-	357,063	357,063	-	-	-	-
		<u>-</u>	<u>-</u>	<u>359,425</u>	<u>363,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

11 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 17, 2018.

12 CORRESPONDING FIGURES

The corresponding figures has been adjusted as detailed below due to initial application of IFRS - 9. **June 30, 2018**
(Rupees in '000)

Statement of Assets and liabilities:

Investment classified as available for sale now classified as Financials Assets at fair value through profit in loss **62,145**

Condensed Interim Income Statement & Other Comprehensive Income

September 30, 2018

"Net unrealised (diminution) / appreciation on remeasurement of investments classified as available for sale" in the Condensed Interim Statement of Other Comprehensive Income is now classified as "Net unrealized / (diminution) on re-measurements of investments at fair value through profit" in the Condensed Interim Income Statement

-913**13. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

ASSET MANAGEMENT LTD.

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