

HBL

ASSET MANAGEMENT LTD.
ایسٹٹ منیجمنٹ لمیٹڈ

AMC Rating : AM2++ by JCR-VIS



HBL Pension Fund & HBL Islamic Pension Fund

NINE MONTHS REPORT 2021

For the Nine Months Ended March 31, 2021

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Shabbir Hussain Hashmi	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)
	Mr. Muhammad Afaq Khan	(Non-Executive Director)
	Mr. Abrar Ahmed Mir	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Muhammad Afaq Khan	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Muhammad Afaq Khan	(Non-Executive 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.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of HBL Pension Fund and HBL Islamic Pension Fund (the Funds) for the half year ended March 31, 2021.

Economic Review

The policy decisions taken by the government after Covid-19 epidemic has resulted in an improvement in the macroeconomic landscape. The country has witnessed significant improvement in the current account position on the back of strong remittances growth and decline in Services deficit. The current account surplus along with flows from multilateral and bilateral sources has shored up our reserves which has helped the local currency to depict strength.

The PKR appreciated by around 9.1% during 9MFY21 taking Real Effective Exchange Rate to 97 (SBP Feb-21 number). The Central bank maintained the interest rates in 9MFY21 after a cumulative 625 bps decrease in interest rates in 2HFY20 in response to the Covid-19 pandemic. On the external front export declined by 2.3% compared to increase in import by 8.6%, leading 8MFY21 trade deficit to increase by 22.2% to USD 16.1bn. However Services Deficit decreased by 41.8% to USD 1.3bn in the period. Remittances also showed encouraging trend as it witnessed an uptick of 24.1% in 8MFY21 clocking at USD 18.7bn. These factors led the Current Account Surplus for 8MFY21 to clock at USD 0.9bn (0.5% of GDP) compared to a current account deficit of USD 2.7bn (1.5% of GDP) during same period last year. Pakistan economy has started to regain its pre-Covid trajectory as there has been a notable pickup in economic activity, as evident by LSM growth of 7.9% YoY in 7MFY21. The overall Foreign exchange reserves increased to USD 20.8bn compared to USD 18.9bn at the end of FY20.

CPI for 9MFY21 has averaged 8.4% compared to 11.5% in the same period last year due to economic slowdown and hike in utilities price in base period. We expect inflation to remain elevated for the next few months due to Ramadan and low base effect but will taper down from the start of FY22. On the fiscal side FBR tax collection went up by 10.3% YoY to PKR 3,394bn during 9MFY21 against the tax collection target of PKR 3,287bn.

Moving ahead, we believe that the GDP growth is likely to show recovery as most of the businesses have opened but the ongoing third wave of Covid-19 can dampen the recovery. The focus would remain on Covid-19 numbers and the policy actions taken by the government to control the fallout from the pandemic.

Stock Market Review

The market sustained its bullish momentum in 9MFY21 as it rallied by 63.8% from its low in Mar-20. The stellar performance of the index can be attributed to 1) relative improvement in domestic COVID-19 infection and recovery rates, 2) flows into equities post 625bps cut in interest rates, 3) business friendly policies induced by the GoP and 4) Improvement in macroeconomic indicators led by strengthening currency and current account surplus.

The benchmark KSE-100 index recorded 10,166 points increase (+29.5%) during 9MFY21 to close at 44,588 points. During the period construction linked industries (Cement, Steel, and Glass) rallied on the back of the monetary easing done by the SBP and government focus on construction sector. Technology sector also remained in limelight due to increasing focus on technology post Covid-19 pandemic. Banking Sector also rallied due to attractive valuations. On the flows side, foreigners were the net sellers during 9MFY21 and sold shares of worth USD 295mn, compared to net selling of USD 130mn during same period last year.

Pakistan equities are likely to continue the positive momentum due to cheaper valuation (trading at a Forward P/E of 6.0x against peer average 15.1x) and improvement in the macroeconomic landscape. Market participants would closely follow trend of coronavirus cases and the ensuring macro numbers. Cyclical sectors (Cement, Steel) are expected to continue their rally due to Government's push towards Naya Pakistan Housing Scheme. Textile sector is also expected to garner investors' attention due to huge export potential. Technology sector would also remain in limelight due to rerating of the sector due to improved earnings outlook. We will maintain our strategic focus towards "bottom-up" approach and align exposure towards stocks with strong earnings potential.

Money Market Review

The Central bank maintained the interest rates in the period after a cumulative 625 bps decrease in interest rates in 2HFY20 in response to the Covid-19 pandemic. At the start of the pandemic SBP clearly stated that it will hold forward looking real interest rate at zero to cushion the impact of the Coronavirus shock on growth and employment.

Yields across all the tenors changed between +50bps to +171 bps during 9MFY21 due to a general market consensus that the monetary easing cycle is over and we may witness some hike in interest rate in CY21. Secondary market yields of 3, 5 and 10-year PIBs increased by 182, 175 and 173 bps respectively while yields of 3, 6 and 12 month T-Bills increased in tandem by 33, 72 and 84 bps respectively during the period. The cut-off yields in the last T-Bill Auction were 7.54% and 7.80% for 3M and 6M tenor whereas the cut offs in the last PIB Auction were 9.41%, 9.90% and 10.29% for the 3Y, 5Y, and 10Y tenor.

During 9MFY21, Government largely managed its borrowing requirement through commercial banks. Government borrowed PKR 1,980bn from scheduled banks compared to borrowing of PKR 1,447bn during same period last year. Meanwhile, Government borrowing from SBP declined by PKR 1,203bn during the period against decline in borrowing of PKR 480bn during same period last year. This further decline in borrowing took place as IMF has restricted borrowing from the central bank to avoid inflationary pressure. Going forward the government will continue to meet additional borrowing requirements from the commercial banks.

In the monetary policy held in Mar-21, SBP maintained status quo in the interest rates. Going forward, we feel that the monetary easing has taken place and we are at the bottom of the interest rate cycle. Due to the ongoing third wave of Covid-19 we expect the government to maintain status quo in the SBP policy rate for the next few months to support the recovery of the economy while at the same time addressing the root cause of cost push inflation by controlling food prices.

Future Outlook

Pakistan equities are expected to perform well in CY21 due to cheaper valuation and improvement in macroeconomic outlook. GDP growth is expected to bounce back as most of the business activity has resumed. The external account position is also comfortable with current account to remain at manageable level in the year. We believe Pakistan equities offers a good entry opportunity for long term investors.

The valuations of Pakistan Stock market are now attractive with a Price to Earnings multiple of 6.0x compared to the past five years' average of 8+. KSE-100 discount to emerging as well as frontier peers is 56.1% and 40.7% against 5-year averages of 39.6% and 33.7%, respectively, reflecting a good entry point. We feel this discount should narrow as market earnings are expected to increase significantly during 2021. Construction related sectors (Cement, Steel) are expected to continue their rally due to Government's push towards Naya Pakistan Housing Scheme. Textile sector is also expected to garner investors' attention due to huge export potential. Technology sector would also remain in limelight due to potential of further re-rating on the back of good growth outlook. Thus we expect the overall market to rerate and continue its positive momentum.

On the fixed income front, inflation is expected to remain in a range of 7-9% and would depend on food prices and international oil prices trajectory. Going forward, we feel that the monetary easing has taken place and we are at the bottom of the interest rate cycle. Due to the ongoing third wave of Covid-19 we expect the government to maintain status quo in the SBP policy rate for the next few months to support the recovery of the economy. The central bank has given its forward looking guidance to maintain mildly positive interest rates when economy return to full capacity. Thus we expect any future increase in the policy rate to be measured and gradual.

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. 70.87 million and Rs. 60.10 million respectively during the period under review. The fund size increased from Rs. 545.70 million as on June 30, 2020 to Rs. 606.65 million as at March 31, 2021 thereby showing an increase of 11% during the period under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned total and net income of Rs. 54.87 million and Rs. 49.67 million respectively. The net assets of the Equity sub-fund was Rs. 203.28 million representing Net Asset Value (NAV) of Rs. 408.8111 per unit as at March 31, 2021. The Sub Fund earned a return of 26.03% 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. 7.00 million and Rs. 4.02 million respectively. The net assets of the Debt sub-fund was Rs. 205.86 million representing Net Asset Value (NAV) of Rs. 210.1104 per unit as at March 31, 2021. The Fund yielded annualized return 2.71% 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. 9.00 million and Rs. 6.41 million respectively. The net assets of the Money Market sub-fund was Rs. 197.50 million representing Net Asset Value (NAV) of Rs. 184.4480 per unit as at March 31, 2021. An annualized return of 5.13% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

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

The Fund as a whole earned total and net income of Rs. 49.92 million and Rs. 43.70 million respectively during the period under review. The fund size increased from Rs. 247.30 million as at June 30, 2020 to Rs. 333.08 million as at March 31, 2021 showing an increase of 35%. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned total and net income of Rs. 42.86 million and Rs. 38.95 million respectively. The net assets of the Equity sub-fund was Rs. 171.56 million representing Net Asset Value (NAV) of Rs. 449.5089 per unit as at March 31, 2021. The Fund yielded a return of 30.90% 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. 4.11 million and Rs. 2.82 million respectively. The net assets of the Debt sub-fund was Rs. 84.96 million representing Net Asset Value (NAV) of Rs. 169.4225 per unit as at March 31, 2021. The Fund yielded annualized return of 4.81% 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. 2.95 million and Rs. 1.92 million respectively. The net assets of the Money Market sub-fund was Rs. 76.56 million representing Net Asset Value (NAV) of Rs. 165.6505 per unit as at March 31, 2021. An annualized return of 4.04% was earned by the Fund for the period under review.

Acknowledgement

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

HBL Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at March 31, 2021

Note	March 31, 2021 (Un-Audited)				June 30, 2020 (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) -----									
Assets									
Bank balances	6	13,270	80,073	106,904	200,247	8,088	19,604	55,999	83,691
Investments	7	187,374	127,040	91,647	406,061	194,609	188,732	83,644	466,985
Dividend and profit receivable	8	1,801	1,295	944	4,040	59	3,430	255	3,744
Advances, deposits, prepayments and other receivables	9	4,876	206	178	5,260	131	207	180	518
Total assets		207,321	208,614	199,673	615,608	202,887	211,973	140,078	554,938
Liabilities									
Payable to Pension Fund Manager	10	281	287	306	874	281	339	234	854
Payable to Trustee	11	31	30	29	90	28	29	19	76
Payable to Securities and Exchange Commission of Pakistan	12	42	37	31	110	59	50	36	145
Accrued expenses and other liabilities	13	3,683	2,398	1,804	7,885	4,210	2,305	1,643	8,158
Total liabilities		4,037	2,752	2,170	8,959	4,578	2,723	1,932	9,233
Net assets		203,284	205,862	197,503	606,649	198,309	209,250	138,146	545,705
Participants' sub funds (as per statement attached)		203,284	205,862	197,503	606,649	198,309	209,250	138,146	545,705
Number of units in issue	14	497,256	979,782	1,070,781	2,547,819	611,379	1,016,164	777,841	2,405,384
----- (Rupees) -----									
Net assets value per unit		408.8111	210.1104	184.4480		324.3643	205.9216	177.6024	

The annexed notes 1 to 19 form an integral part of the 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 Statement of Comprehensive Income (Un-Audited)

For the Nine months period ended March 31, 2021

Note	2021				2020			
	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)								
Income								
Dividend income	6,517	-	-	6,517	8,837	-	-	8,837
Profit on bank deposits calculated using the effective interest method	440	1,491	2,346	4,277	1,328	2,468	5,287	9,083
Mark-up / return on investments calculated using the effective interest method	-	10,838	6,699	17,537	-	13,350	6,980	20,330
Realized (loss) / gain on sale of investments	24,472	3,740	(49)	28,163	(394)	4,123	(43)	3,686
Unrealized (loss) / gain on revaluation of investments at fair value through profit or loss	23,443	(9,074)	8	14,377	(25,528)	6,096	250	(19,182)
	54,872	6,995	9,004	70,871	(15,757)	26,037	12,474	22,754
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	54,872	6,995	9,004	70,871	(15,757)	26,037	12,474	22,754
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	2,816	2,486	2,128	7,430	2,666	2,121	1,540	6,327
Remuneration of Central Depository Company of Pakistan Limited - Trustee	282	249	213	744	267	213	154	634
Annual fee to Securities and Exchange Commission of Pakistan	42	37	31	110	47	38	27	112
Auditors' remuneration	109	104	81	294	130	110	96	336
Settlement and bank charges	44	13	13	70	42	27	17	86
Other expenses	912	4	2	918	538	18	5	561
	4,205	2,893	2,468	9,566	3,690	2,527	1,839	8,056
	50,667	4,102	6,536	61,305	(19,447)	23,510	10,635	14,698
Provision for Sindh Workers' Welfare Fund (SWWF)	(993)	(80)	(128)	(1,201)	-	(461)	(209)	(670)
Net (loss) / income before taxation	49,674	4,022	6,408	60,104	(19,447)	23,049	10,426	14,028
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the period	49,674	4,022	6,408	60,104	(19,447)	23,049	10,426	14,028
Other comprehensive income								
<i>Items to be reclassified to income statement in subsequent periods:</i>								
Unrealised (loss) / gain on re-measurement of investments - classified as available for sale	-	-	-	-	-	-	-	-
Reclassification adjustment relating to available for sale investments sold during the period	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	49,674	4,022	6,408	60,104	(19,447)	23,049	10,426	14,028

The annexed notes 1 to 19 form an integral part of the 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 Statement of Comprehensive Income (Un-Audited)

For the Nine months period ended March 31, 2021

Note	2021				2020			
	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)								
Income								
Dividend income	2,876	-	-	2,876	2,364	-	-	2,364
Profit on bank deposits calculated using the effective interest method	(17,881)	(2,696)	2,388	(18,189)	449	876	1,788	3,113
Mark-up / return on investments calculated using the effective interest method	(334)	9,967	5,489	15,122	-	4,954	2,437	7,391
Realized (loss) / gain on sale of investments	24,472	(3,824)	(4,414)	16,234	(7,455)	(387)	32	(7,810)
Unrealized gain / (loss) on revaluation of investments at fair value through profit or loss	(3,887)	(223)	1	(4,109)	(59,098)	4,211	207	(54,680)
	5,246	3,224	3,464	11,934	(63,740)	9,654	4,464	(49,622)
Impairment loss on investments classified as 'available for sale'	-	(1,641)	(1,330)	(2,971)	-	-	-	-
	5,246	1,583	2,134	8,963	(63,740)	9,654	4,464	(49,622)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	864	2,476	2,120	5,460	941	775	541	2,257
Remuneration of Central Depository Company of Pakistan Limited - Trustee	86	246	209	541	94	78	54	226
Annual fee to Securities and Exchange Commission of Pakistan	13	(1,867)	(1,507)	(3,361)	13	12	7	32
Auditors' remuneration	34	104	81	219	53	50	50	153
Settlement and bank charges	(548)	(1,854)	(3,989)	(6,391)	6	6	2	14
Other expenses	868	4	2	874	140	5	2	147
	1,317	(891)	(3,084)	(2,658)	1,247	926	656	2,829
	3,929	2,474	5,218	11,621	(64,987)	8,728	3,808	(52,451)
Provision for Sindh Workers' Welfare Fund (SWWF)	(77)	(80)	(128)	(285)	892	(171)	(75)	646
Net (loss) / income before taxation	3,852	2,394	5,090	11,336	(64,095)	8,557	3,733	(51,805)
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the period	3,852	2,394	5,090	11,336	(64,095)	8,557	3,733	(51,805)
Other comprehensive income								
<i>Items to be reclassified to income statement in subsequent periods:</i>								
Unrealised (loss) / gain on re-measurement of investments - classified as available for sale	-	-	-	-	-	-	-	-
Reclassification adjustment relating to available for sale investments sold during the period	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	3,852	2,394	5,090	11,336	(64,095)	8,557	3,733	(51,805)

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS (UN-AUDITED)

For the Nine months period ended March 31, 2021

Note	2021				2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Net assets at beginning of the period	198,309	209,250	138,146	545,705	192,704	144,720	124,210	461,634
Issuance of units	50,732	76,234	119,243	246,209	35,430	74,941	31,428	141,799
Redemption of units	(95,431)	(83,644)	(66,294)	(245,369)	(49,049)	(37,903)	(27,609)	(114,561)
Reallocation among funds				-	11,376	(8,003)	(3,373)	-
Other comprehensive income								
Net (loss) / income for the period	49,674	4,022	6,408	60,104	(19,447)	23,049	10,426	14,028
Net unrealised (loss) / gain on remeasurement of investments classified as available for sale			-	-			-	-
Total comprehensive (loss) / income for the period	49,674	4,022	6,408	60,104	(19,447)	23,049	10,426	14,028
Net assets at end of the period	203,284	205,862	197,503	606,649	171,014	196,804	135,082	502,900
Net assets value per unit at beginning of the period	324.3643	205.9216	177.6024		315.2585	171.9703	158.7278	
Net assets value per unit at end of the period	408.8111	210.1104	184.448		279.2976	197.5834	173.5727	

The annexed notes 1 to 19 form an integral part of the 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 (Un-audited)
For the Nine months period ended March 31, 2021

Note	2021				2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
CASH FLOW FROM OPERATING ACTIVITIES								
Net (loss) / income for the period	49,674	4,022	6,408	60,104	(19,447)	23,049	10,426	14,028
Adjustments								
Unrealized diminution / (appreciation) in the market value of investments classified as fair value through profit or loss	(23,443)	9,074	(8)	(14,377)	25,528	(6,096)	(250)	19,182
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	26,231	13,096	6,400	45,727	6,081	16,953	10,176	33,210
(Increase) / decrease in assets								
Investments - net	30,678	52,618	(7,995)	75,301	(5,338)	(86,795)	(68,108)	(160,241)
Dividend and profit receivable	(1,742)	2,135	(689)	(296)	(1,454)	85	524	(845)
Advances, deposits, prepayments and other receivables	(4,745)	1	2	(4,742)	1,000	1	-	1,001
	24,191	54,754	(8,682)	70,263	(5,792)	(86,709)	(67,584)	(160,085)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	-	(52)	72	20	4	112	33	149
Payable to Central Depository Company of Pakistan Limited - Trustee	3	1	10	14	1	9	2	12
Payable to Securities and Exchange Commission of Pakistan	(17)	(13)	(5)	(35)	(33)	(15)	(21)	(69)
Accrued expenses and other liabilities	(527)	93	161	(273)	3,721	184	(336)	3,569
	(541)	29	238	(274)	3,693	290	(322)	3,661
Net cash (used in) / generated from operating activities	49,881	67,879	(2,044)	115,716	3,982	(69,466)	(57,730)	(123,214)
CASH FLOW FROM FINANCING ACTIVITIES								
Amount received on issue of units	50,732	76,234	119,243	246,209	35,430	74,941	31,428	141,799
Amount paid on redemption of units	(95,431)	(83,644)	(66,294)	(245,369)	(49,049)	(37,903)	(27,609)	(114,561)
Reallocation among funds	-	-	-	-	11,376	(8,003)	(3,373)	-
Net cash (used in) / generated from financing activities	(44,699)	(7,410)	52,949	840	(2,243)	29,035	446	27,238
Net (decrease) / increase in cash and cash equivalents	5,182	60,469	50,905	116,556	1,739	(40,431)	(57,284)	(95,976)
Cash and cash equivalents at beginning of the period	8,088	19,604	55,999	83,691	16,045	59,315	110,412	185,772
Cash and cash equivalents at end of the period	13,270	80,073	106,904	200,247	17,784	18,884	53,128	89,796

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Notes to the Condensed Interim Financial Information (Un-audited)

For the Nine months period ended March 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

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

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an unlisted open end 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 (based on defined contribution), 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 is 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 5% 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 25% of NAV or index weight, subject to a maximum of 30% of NAV. Remaining assets of the equity sub-fund shall be invested in any government security having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Debt Sub-Fund consists 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 securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating with stable outlook. Exposure to securities issued by companies of a single sector shall not exceed twenty percent (20%) except for banking sector for which the exposure limit shall be up to thirty percent (30%) of net assets of a debt sub-fund. 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. However, deposits with commercial banks having 'A+' or higher rating shall not exceed 20% of net assets of money market sub-fund. Investment in securities issued by provincial government, city government, government corporate entities with 'A' or higher rating or a corporate entity with 'A+' or higher rating or a government corporation with 'A+' or higher rating shall be in proportion as defined in the offering document.

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 & Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

- 2.1.1** The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and or directives issued under the Companies Act, 2017.

In case where requirements differ, the VPS Rules and the provisions of and or directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

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 POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2020.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual result may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2020.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2020.

6. BANK BALANCES

Note	March 31, 2021				June 30, 2020			
	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) -----							
Savings accounts	13,270	80,073	106,904	200,247	8,088	19,604	55,999	83,691
Term deposit receipts (TDRs)								
	<u>13,270</u>	<u>80,073</u>	<u>106,904</u>	<u>200,247</u>	<u>8,088</u>	<u>19,604</u>	<u>55,999</u>	<u>83,691</u>

6.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 7% to 13.4% per annum (year ended June, 2020: 7% to 13.4% per annum).

7. INVESTMENTS

Note	(Un-audited)				Audited				
	December 31, 2020				June 30, 2020				
	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)									
Financial assets at fair value through profit and loss									
Listed equity securities	5.1	187,374	-	-	187,374	194,609	-	-	194,609
Government securities									
Market treasury bills			77,150	75,896	153,046	-	75,931	78,770	154,701
Pakistan investment bonds	5.2	-	-	-	-	-	86,642	-	86,642
Term finance certificate and sukuk bonds	5.3	-	42,111	7,000	49,111	-	26,159	-	26,159
		187,374	119,261	82,896	389,532	194,609	188,732	78,770	462,111
At Amortised Cost									
Commercial Paper	5.4	-	7,779	8,751.00	-	-	-	4,874	4,874
		187,374	127,040	91,647	389,532	194,609	188,732	83,644	466,985

Listed Equity Securities - at fair value through profit or loss

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, 2020	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of net assets of the sub fund	Market value as a percentage of investments of sub fund	Percentage of paid up capital of the investee company held
	(Number of shares)						(Rupees '000)	(%)		
CHEMICALS										
Engro Polymer & Chemicals Ltd	75,000	106,000	-	-	81,500	99,500	5,472	2.56%	2.92%	0.01%
ICI Pakistan Limited	5,000	2,700	-	-	7,700	-	-	0.00%	0.00%	0.00%
Lotte Chemical Pakistan	-	272,000	-	-	272,000	-	-	-	-	-
Sitara Peroxide Limited	89,000	5,000	-	-	94,000	-	-	0.00%	0.00%	0.00%
Sitara Chemical Industries Limited	9,100	1,000	-	-	10,100	-	-	0.00%	0.00%	0.00%
	178,100	386,700	-	-	465,300	99,500	5,472	2.56%	2.92%	0.01%
REFINERY										
Attock Refinery Limited	-	31,000	-	-	17,000	14,000	3,575	1.67%	1.91%	0.01%
	-	31,000	-	-	17,000	14,000	3,575	1.67%	1.91%	0.01%
CEMENT										
Cherat Cement Company Limited	33,500	6,000	-	-	33,500	6,000	964	-	-	-
D G Khan Cement Co.Ltd.	23,000	60,300	-	-	37,200	46,100	5,556	2.60%	2.97%	0.01%
Kohat Cement Limited	31,000	9,200	-	-	31,500	8,700	1,803	0.84%	0.96%	0.00%
Attock Cement Pakistan	-	10,000	-	-	1,500	8,500	1,442	0.67%	0.77%	0.00%
Fauji Cement Company Limited	-	108,000	-	-	108,000	-	-	0.00%	0.00%	0.00%
National Refinery Ltd	-	28,600	-	-	20,500	8,100	4,772	-	-	-
Synthetic Products Ltd	-	24,000	-	-	-	24,000	922	-	-	-
Nimir Resins Ltd	-	177,000	-	-	11,000	166,000	1,924	-	-	-
Lucky Cement Ltd	26,350	2,500	-	-	8,800	20,050	16,393	7.67%	8.75%	0.01%
Maple Leaf Cement Factory Ltd	132,500	55,000	-	-	102,000	85,500	3,830	1.79%	2.04%	0.01%
Pioneer Cement Limited	-	45,500	-	-	18,000	27,500	3,350	1.57%	1.79%	0.01%
	246,350	526,100	-	-	372,000	400,450	40,956	15.14%	17.28%	0.04%
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	104,500	5,000	-	-	60,500	49,000	2,318	1.55%	1.57%	0.02%
Nishat Chunian Ltd	-	78,000	-	-	7,500	70,500	3,250	-	-	-
Interloop Limited	42,488	32,000	-	-	23,000	51,488	3,404	2.02%	2.05%	0.01%
Kohinoor Textile Mills Ltd	-	59,000	-	-	18,500	40,500	2,484	1.61%	1.63%	0.02%
Nishat Mills Ltd	39,000	10,000	-	-	49,000	-	-	1.31%	1.33%	0.01%
	185,988	184,000	-	-	158,500	211,488	11,457	6.49%	6.58%	0.05%

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of net assets of the sub fund	Market value as a percentage of investments of sub fund	Percentage of paid up capital of the investee company held
	(Number of shares)						(Rupees '000)	(%)		
FERTILIZERS										
Engro Corporation Ltd	33,860	6,000	-	-	39,860	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Co Ltd	55,000	20,000	-	-	57,500	17,500	1,829	0.86%	0.98%	0.00%
Engro Fertilizers Limited	33,500	68,000	-	-	101,500	-	-	0.00%	0.00%	0.00%
	122,360	94,000	-	-	198,860	17,500	1,829	0.86%	0.98%	0.00%
GLASS & CERAMICS										
Tariq Glass Limited	50,000	45,500	8,906	-	67,000	37,406	2,980	1.39%	1.59%	0.00%
	50,000	45,500	8,906	-	67,000	37,406	2,980	1.39%	1.59%	0.00%
PHARMACEUTICALS										
AGP Limited	18,375	24,500	-	-	27,375	15,500	1,769	0.83%	0.94%	0.00%
Glaxosmithkline (Pakistan) Limited	11,300	-	-	-	11,300	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	9,587	-	-	-	9,546	41	27	0.01%	0.01%	0.00%
The Searle Company Ltd	11,079	7,500	-	-	11,365	7,214	1,782	0.83%	0.95%	0.00%
	50,341	32,000	-	-	59,586	22,755	3,578	1.67%	1.90%	0.00%
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Ltd	9,320	-	-	-	5,600	3,720	5,696	2.66%	3.04%	0.00%
Oil & Gas Development Co Ltd	129,600	32,000	-	-	58,400	103,200	10,486	4.90%	5.60%	0.00%
Pakistan Oilfields Ltd	5,500	7,700	-	-	8,600	4,600	1,747	0.82%	0.93%	0.00%
Pakistan Petroleum Ltd	106,298	57,293	-	-	59,300	104,291	9,108	4.26%	4.86%	0.00%
	250,718	96,993	-	-	131,900	215,811	27,038	12.64%	14.43%	0.00%
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Ltd	42,977	17,500	-	-	28,500	31,977	7,375	3.45%	3.94%	0.01%
Shell Pakistan	-	7,000	-	-	7,000	-	-	-	-	-
Sui Northern Gas Pipeline Ltd	60,200	16,000	-	-	76,200	-	-	0.00%	0.00%	0.00%
	103,177	40,500	-	-	111,700	31,977	7,376	3.45%	3.94%	0.01%
AUTOMOBILE PARTS & ACCESSORIES AUTOMOBILE ASSEMBLER										
Pak Suzuki Motor Company Limited	24,000	11,500	-	-	24,000	11,500	3,621	1.69%	1.93%	0.01%
Sazgar Engineering Works Limited	10,100	-	-	-	10,100	-	-	0.00%	0.00%	0.00%
Ghandhara Nissan Ltd	-	18,500	-	-	4,500	14,000	1,414	-	-	-
Panther Tyres Ltd	-	28,730	-	-	-	28,730	1,852	-	-	-
General Tyre & Rubber Co	-	57,000	-	-	12,000	45,000	3,943	-	-	-
Honda Atlas Cars (Pakistan) Ltd.	-	20,000	-	-	20,000	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	-	2,000	-	-	620	1,380	1,595	0.75%	0.85%	0.00%
Millat Tractors Ltd	-	5,500	102	-	5,500	102	123	0.06%	0.07%	0.00%
	34,100	143,230	102	-	76,720	100,712	12,548	2.50%	2.85%	0.01%
INSURANCE										
Adamjee Insurance Company Limited	72,000	-	-	-	72,000	-	-	0.00%	0.00%	0.00%
IGI Life Insurance	-	32,000	-	-	-	32,000	1,847	-	-	-
IGI Holdings Limited	16,500	8,000	-	-	-	24,500	4,162	1.95%	2.22%	0.02%
	88,500	40,000	-	-	72,000	56,500	6,009	1.95%	2.22%	0.02%
FOOD AND PERSONAL CARE PRODUCTS										
Al Shaheer Corporation	-	116,500	-	-	116,500	-	-	-	-	-
National Foods Ltd	-	9000	-	-	9000	-	-	-	-	-
The Organic Meat Company Limited	-	129,515	-	-	129,515	129,515	3,958	1.85%	2.11%	0.12%
	-	255,015	-	-	125,500	129,515	3,958	1.85%	2.11%	0.12%
ENGINEERING										
Agha Steel Ind.Ltd	-	57,500	-	-	500	57,000	1,760	0.82%	0.94%	0.01%
Ameri Steels Limited	-	54,000	-	-	54,000	-	-	0.00%	0.00%	0.00%
International Industries Ltd	10,700	13,000	-	-	10,000	13,700	2,783	1.30%	1.49%	0.01%
International Steels Limited	19,000	32,000	-	-	31,000	20,000	1,712	0.80%	0.91%	0.00%
Mughal Iron & Steel Inds Ltd	100,675	41,000	-	4,320	115,000	30,995	2,581	1.21%	1.38%	0.01%
	130,375	197,500	-	4,320	210,500	121,695	8,836	4.13%	4.72%	0.03%
TECHNOLOGY AND COMMUNICATION										
Avanceon Limited	-	34,000	-	-	11,500	22,500	1,988	0.93%	1.06%	0.01%
NetSol Technologies Ltd	-	8,000	-	-	-	8,000	1,632	-	-	-
Tri-Pack Films LtdXD	-	6,000	-	-	6,000	-	-	-	-	-
TRG Pakistan	-	46,500	-	-	18,000	28,500	4,281	-	-	-
TPL Corp Limited	-	273,000	-	-	-	273,000	1,783	0.83%	0.95%	0.10%
Systems Limited	23,000	-	-	-	23,000	-	-	0.00%	0.00%	0.00%
	23,000	367,500	-	-	58,500	332,000	9,684	1.76%	2.01%	0.11%
AUTOMOBILE										
Thal Limited (Rs. 5 each)	16,500	-	-	-	16,500	-	-	0.00%	0.00%	0.00%
	16,500	-	-	-	16,500	-	-	0.00%	0.00%	0.00%
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Ltd	108,240	73,600	-	-	88,500	93,340	7,574	3.54%	4.04%	0.01%
Karachi Electric Supply Corporation.	57,000	-	-	-	-	-	-	0.00%	0.00%	0.00%
	165,240	73,600	-	-	88,500	93,340	7,574	3.54%	4.04%	0.01%

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of net assets of the sub fund	Market value as a percentage of investments of sub fund	Percentage of paid up capital of the investee company held	
	(Number of shares)						(Rupees '000)		(%)		
COMMERCIAL BANKS											
Allied Bank	100	-	-	-	-	100	-	-	-	-	
Bank Al-Falah Limited	267,185	78,000	-	-	315,185	30,000	914	0.43%	0.49%	0.00%	
Bank Al-Habib Limited	56,000	-	-	-	56,000	-	-	0.00%	0.00%	0.00%	
Bank of Punjab Limited	549,000	140,000	-	-	689,000	-	-	0.00%	0.00%	0.00%	
Faysal Bank Limited	156,340	70,000	-	-	172,000	54,340	879	0.41%	0.47%	0.00%	
MCB Bank Limited	25,100	35,500	-	-	20,500	40,100	6,903	3.23%	3.68%	0.00%	
Meezan Bank Limited	270	39,000	30	-	23,000	16,300	1,844	0.86%	0.98%	0.00%	
National Bank of Pakistan	80,000	-	-	-	80,000	-	-	0.00%	0.00%	0.00%	
Habib MetroPolitan Bank	-	52,500	-	-	52,500	-	-	0.00%	0.00%	#DIV/0!	
Standard Chartered Bank (Pakistan) Limited	165,000	-	-	-	-	165,000	4,876	2.28%	2.60%	0.00%	
United Bank Limited	59,762	97,996	-	-	51,000	106,758	12,698	5.94%	6.78%	0.01%	
	1,358,757	512,996	30	-	1,459,285	412,498	28,114	13.15%	15.00%	#DIV/0!	
LEATHER AND TANNERIES											
Service Ind.	-	1,800	-	-	750	1,050	1,177	0.55%	0.63%	0.00%	
BATA Pakistan Limited	1,060	-	-	-	1,060	-	-	0.00%	0.00%	0.00%	
	1,060	1,800	-	-	1,810	1,050	1,177	0.55%	0.63%	0.00%	
VANASPATI AND ALLIED INDUSTRIES											
Unity Foods Limited	-	655,000	-	-	572,500	82,500	2,454	1.15%	1.31%	0.01%	
	-	655,000	-	-	572,500	82,500	2,454	1.15%	1.31%	0.01%	
TRANSPORT											
Pakistan National Shipping Corporation	25,700	13,000	-	-	38,700	-	-	0.00%	0.00%	0.00%	
	25,700	13,000	-	-	38,700	-	-	0.00%	0.00%	0.00%	
ENGINEERING											
Aisha Steel Ltd	-	90,000	-	-	12,000	78,000	1,850	-	-	-	
	-	90,000	-	-	12,000	78,000	1,850	-	-	-	
CABLE AND ELECTRICAL GOODS											
Pak Elektron Ltd	-	28,500	-	-	1,000	27,500	909	0.43%	0.49%	0.01%	
Waves Singer Pakistan Limited	-	209,000	-	-	209,000	-	-	0.00%	0.00%	0.00%	
	-	237,500	-	-	210,000	27,500	909	0.43%	0.49%	0.01%	
	3,030,266	4,023,934	9,038	4,320	4,524,361	2,486,197	187,374	76.88%	86.91%		
Carrying value before mark to market as at March 31, 2021							177,894				

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 Honorable 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 Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement amounting Rs.0.241 million (2020: 0.165 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.

7.1 Investment in Government Securities - at fair value through profit or loss

Held by Debt Sub-Fund

Issue date	Issue date	Face value			As at March 31, 2021	Amortised Cost as at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of	
		As at July 1, 2020	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
						(Rupees in '000)			
Market Treasury Bills									
Treasury Bill - 12 months	March 12, 2020	10,000	-	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	April 9, 2020	70,000	-	70,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	July 16, 2020	-	22,000	22,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	May 21, 2020	-	8,000	8,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	October 24, 2019	-	10,000	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	May, 07, 2020	-	10,000	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	Nov, 19, 2020	-	36,000	36,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	October 22, 2020	-	122,000	122,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	Nov, 05, 2020	-	3,000	3,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	October 8, 2020	-	47,000	47,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	February 27, 2021	-	7,000	7,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	December 3, 2020	-	31,000	31,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	January 30, 2021	-	31,000	31,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	December 31, 2020	-	34,000	34,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	January 14, 2021	-	83,000	35,000	48,000	47,935	47,935	37.73%	23.29%
Treasury Bill - 6 months	March 25, 2021	-	35,000	4,700	30,300	29,211	29,215	23.00%	14.19%
		80,000	479,000	480,700	78,300	77,146	77,150	60.73%	37.48%
Pakistan Investment Bonds									
Pakistan Investment Bonds 5 years		33,500	-	33,500	-	-	-	0.00%	0.00%
Pakistan Investment Bonds 5 years		50,000	-	50,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds 5 years		-	25,000	25,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds 3 years		-	75,000	75,000	-	-	-	0.00%	0.00%
		83,500	100,000	183,500	-	-	-	0.00%	0.00%

7.2 Held by Money Market Sub-Fund

Issue date	Issue date	Face value			As at December 31, 2020	Amortised Cost as at December 31, 2020	Market value as at December 31, 2020	Market value as a percentage of	
		As at July 1, 2020	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
						(Rupees in '000)			
Treasury bill									
Treasury Bill - 3 months	April 23, 2020	79,000	-	79,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	July 16, 2020	-	50,000	50,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	July 2, 2020	-	75,000	75,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	May 21, 2020	-	17,000	17,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	April 23, 2020	-	5,000	5,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	March 26, 2020	-	6,000	6,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	August 27, 2020	-	100,000	100,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	October 8, 2020	-	90,000	90,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	November 19, 2020	-	90,000	90,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	October 22, 2020	-	65,000	65,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	February 25, 2021	-	10,000	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	February 27, 2021	-	16,000	16,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	December 31, 2020	-	10,000	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	January 30, 2021	-	38,000	38,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	January 14, 2021	-	93,000	17,000	76,000	75,897	75,896	82.81%	38.43%
Treasury Bill - 3 months	May 7, 2020	-	14,000	14,000	-	-	-	0.00%	0.00%
		79,000	679,000	682,000	76,000	75,897	75,896	82.81%	38.43%

Term finance certificate and sukuk bonds - at fair value through profit or loss

7.3 Held by Debt Sub-Fund

Name of the Investee Company	As at July 1, 2020	Purchases during the period	Sales / Matured during the period	As at March 31, 2021	Amortised Cost as at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of		
							Total Investments	Net Assets	
						(Rupees in '000)			
Commercial Banks									
Bank of Punjab	60	-	-	60	5,932	5,990	4.72%	2.91%	
Bank Alfalah	-	2,400	-	2,400	12,000	12,000	9.45%	5.83%	
	60	2,400	-	2,460	17,932	17,990	14.17%	8.74%	
Multiutilities									
Water and Power Development Authority	798	-	-	798	626	569	0.45%	0.28%	
K-Electric Limited	1,200	-	-	1,200	1,500	1,514	1.19%	0.74%	
Hub Power Company Limited	-	80	-	80	8,000	8,000	6.30%	3.89%	
	1,998	80	-	2,078	10,126	10,083	7.94%	4.91%	
Fertilizers									
Dawood Hercules Corporation Limited Sukuk	60	-	60	-	-	-	0.00%	0.00%	
	60	-	60	-	-	-	0.00%	0.00%	
Insurance									
TPL	-	40	-	40	4,000	4,000	3.15%	1.94%	
	-	40	-	40	4,000	4,000	3.15%	1.94%	
Miscellaneous									
International Brands Limited Sukuk	40	-	-	40	4,000	2,109	1.66%	1.02%	
Jahangir Siddiqui and Company Limited	2,000	-	-	2,000	6,667	7,929	6.24%	3.85%	
	2,040	-	-	2,040	10,667	10,038	7.90%	4.87%	
Total	4,158	2,520	60	6,618	42,725	42,111	33.16%	20.46%	
Held by Money Market Sub-Fund									
Multiutilities									
Hub Power Company Limited	-	70	-	70	7,000	7,000	7.64%	3.54%	
	-	70	-	70	7,000	7,000	7.64%	3.54%	

Significant terms and conditions of term finance certificates and sukuk bonds outstanding as at March 31, 2021 are as follows:

Name of security	Remaining principal (Rupees per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
	1,800,000			
Bank of Punjab	99,860	6 months KIBOR+1%	23-Dec-16	23-Dec-26
Jahangir Siddiqui and Company Limited	100,000	6 months KIBOR + 1.75%	6-Mar-18	6-Mar-23
Water and Power Development Authority	714	6 months KIBOR+1.4%	14-Oct-13	14-Oct-21
K-Electric Limited	1,500	3 months Kibor + 1%	17-Jun-15	17-Jun-22
Dawood Hercules Corporation Limited Sukuk	60,000	3 months KIBOR + 1%	16-Nov-17	16-Nov-22
Hub Power Company		Terms are yet to be provided by issuer		
International Brands Limited Sukuk		Terms are yet to be provided by issuer		
Bank Alfalah Limited		Terms are yet to be provided by issuer		

Commercial papers - at amortised cost

7.4 Held by Debt Sub Fund

Name of Company	Maturity Date	As at July 1, 2020	Placement made during the period	Income Accrued	Matured during the period	As at March 31, 2021	Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) ----- % -----								
k-Electric	February 10, 2021	-	7,696	83	-	7,779	8.49	3.94
		-	7,696	83	-	7,779	8.49	3.94

7.5 Held by Money Market

Name of Company	Maturity Date	As at July 1, 2020	Placement made during the period	Income Accrued	Matured during the period	As at March 31, 2021	Percentage of total value of investments	Percentage of Net Assets
----- (Rupees in '000) ----- % -----								
k-Electric	February 10, 2021	-	8,658	93	-	8,751	9.55	4.43
		-	8,658	93	-	8,751	9.55	4.43

8. DIVIDEND AND PROFIT RECEIVABLE

	March 31, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
Dividend receivable	1,787	-	-	1,787	14	-	-	14
Profit receivable on bank deposits	14	349	718	1,081	45	115	255	415
Profit accrued on term finance certificates and sukuk bonds	-	702	226	702	-	577	-	577
Profit accrued on government securities	-	244	-	244	-	2,738	-	2,738
	1,801	1,295	944	3,814	59	3,430	255	3,744

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	March 31, 2021				June 30, 2020			
	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) -----								
- Security Deposit with Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
NCCPL Deposit	2,505	-	-	2,505	-	-	-	-
- Receivable against Sale of Equity Securities	2,242	-	-	2,242	-	-	-	-
- Others	29	105	78	212	31	107	80	218
	4,876	205	178	512	131	207	180	518

10. PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

Note	March 31, 2021				June 30, 2020				
	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) -----									
Management fee	10.1	249	253	249	751	238	249	160	647
Sindh Sales Tax	10.2	32	33	32	97	31	32	21	84
Sales load Payable			1	25	26	12	58	53	123
		281	287	306	874	281	339	234	854

10.1 As per rule 11 of the Voluntary Pension System Rules, 2005, HBL Asset Management Limited, the Pension Fund Manager of the Fund is allowed to charge an annual management fee of 1.5% of the average of the values of the net assets of each of the Sub-Fund calculated during the period. Accordingly, the management fee has been accrued at 1.5% per annum of the average daily net assets of the Sub-Funds.

10.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2017.

11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	March 31, 2021				June 30, 2020			
	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)							
Trustee remuneration	27	27	26	80	25	26	17	68
Sindh Sales Tax on Trustee remuneration 11.1	4	3	3	10	3	3	2	8
	31	30	29	90	28	29	19	76

- 11.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2016.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of average annual net asset value of the pension fund.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	March 31, 2021				June 30, 2020			
	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)							
Auditors' remuneration	96	93	73	262	91	78	56	225
Payable against purchase of shares	-	-	-	-	1,526	-	-	1,526
Payable against redemption of units	-	-	-	-	-	-	-	-
Federal Excise Duty 13.1	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Welfare Fund 16	2,797	1,402	861	5,060	1,803	1,321	733	3,857
Other payable	27	25	34	86	27	28	18	73
	3,683	2,398	1,804	7,885	4,210	2,305	1,643	8,158

- 13.1 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager has been applied effective 13 June 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated 2 June 2016. Therefore, as a matter of abundant caution, without prejudice to the above, the Pension Fund Manager has made a provision with effect from 13 June 2013, aggregating to Rs. 0.763 million, 0.878 million and 0.836 million (June 30, 2018: Rs. 0.763 million, Rs. 0.878 million and Rs. 0.836 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. 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 March 31, 2019 would have been higher by Rs. 1.246, Rs.0.8815 and Rs. 1.0746 (June 30, 2019: Rs. 1.25, Rs. 1.04 and Rs. 1.07) 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.

14 NUMBER OF UNITS IN ISSUE

	March 31, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Number) -----							
Opening units in issue	611,379	1,016,164	777,841	2,405,384	611,256	841,542	782,539	2,235,337
Units issued during the period	128,311	368,082	656,411	1,152,804	109,947	445,153	226,088	781,188
Units redeemed during the period	(242,434)	(404,464)	(363,471)	(1,010,369)	(150,249)	(225,082)	(209,898)	(585,229)
Reallocation during the period				-	40,425	(45,449)	(20,888)	(25,912)
Total units in issue at the end of the period	497,256	979,782	1,070,781	2,547,819	611,379	1,016,164	777,841	2,405,384

15. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of Sindh WWF should be made on 12 January 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 01 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds. The reversal of provision for WWF amounting to Rs. 1.12 million, Rs. 0.53 million and Rs. 0.47 million of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively and a provision for SWWF of Rs. 1.643 million, Rs. 0.950 million and Rs. 0.704 million of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively upto 12 January 2017 was made. Thereafter, the provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs. 2.68, Rs. 1.16 and Rs. 0.86 (30 June 2019: Rs. 2.69, Rs. 0.82 and Rs. 0.59) per unit respectively.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Pension Fund Manager, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, collective investment schemes managed by the Management Company, directors and officers of the Management Company.

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

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

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

16.1 Transactions during the period

	Nine Months ended March 31, 2021				Nine Months ended March 31, 2020				
	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)									
HBL Asset Management Limited - Pension Fund Manager									
Management fee	2,816	2,486	2,128	7,430	2,666	2,121	1,540	6,327	
Habib Bank Limited - Sponsor									
Bank charges paid	18	10	11	39	22	15	12	49	
Profit on bank deposits earned	781	787	714	2,282	781	787	714	2,282	
Directors and Executives of the Pension Fund Manager and their relatives									
Directors and their relatives									
Reallocation of units	Number			-	2,680	(3,500)	(854)	(1,674)	
Amount of units reallocated				-	754	(618)	(138)	(2)	
Executives and their relatives									
Issuance of units	Number	335	3,771	-	4,106	703	2,252	-	2,955
Amount of units issued		120	781	-	901	210	390	-	600
Redemption of units issued	Number	-	-	-	-	-	-	-	-
Amount of units redeemed		-	-	-	-	-	-	-	-
Reallocation of units	Number	1,707	(2,739)	-	(1,032)	(8,839)	2,182	(854)	(7,511)
Amount of units reallocated		565	(565)	-	(363)	363	-	-	-

	Nine Months ended March 31, 2021				Nine Months ended March 31, 2020				
	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)									
Directors and Executives of the Habib Bank Limited (Sponsor) their relatives									
Executives and their relatives									
Issuance of units	Number			-	424	2,425	904	3,753	
Amount of units issued				-	150	450	150	750	
Reallocation of units	Number			-	3,681	(4,558)	(1,444)	(2,321)	
Amount of units reallocated				-	1,036	(803)	(233)	-	
Central Depository Company of Pakistan Limited - Trustee									
Remuneration	282	249	213	744	267	213	154	634	
Central Depository System charges	18	8	8	34	16	6	4	26	
Directors of Connected Persons									
Units issued	Number	15,555	17,721	33,276	-	59,419	-	59,419	
Amount of units issued		-	3,244	3,244	6,488	-	11,000	-	11,000
Units redeemed	Number			-	(272)	(5,052)	(10,963)	(16,287)	
Amount of units redeemed				-	89	919	1,799	2,807	
Units reallocated	Number			-	701	(540)	(633)	(472)	
Amount of units reallocated				-	197	(95)	(102)	-	

16.2 Balances outstanding as at period end

	March 31, 2021				June 30, 2020				
	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)									
HBL Asset Management Limited - Pension Fund Manager									
Management fee payable	249	253	249	751	238	249	160	647	
Federal Excise Duty payable	763	878	836	2,477	763	878	836	2,477	
Sindh Sales Tax payable	32	33	32	97	31	32	21	84	
Sales load Payable	-	1	25	26	12	58	53	123	
Habib Bank Limited - Sponsor									
Units held	Number	203,077	-	203,077	203,077	-	-	203,077	
Amount of units held		83,020	-	83,020	65,871	-	-	65,871	
Profit receivable on bank deposits	108	35	16	159	42	8	44	94	
Bank balances	1,026	40,964	31,113	15,299	7,759	1,525	29,090	38,374	
Directors and Executives of the Pension Fund Manager and their relatives									
Directors and their relatives									
Units held	Number	12,949	49,670	13,538	76,157	12,949	49,670	13,538	76,157
Amount of units held		5,294	10,436	2,497	18,227	4,200	10,228	2,404	16,832
(Rupees in '000)									
Executives and their relatives									
Units held	Number	4,915	16,884	-	21,799	15,823	65,522	13,539	94,884
Amount of units held		2,009	3,548	-	5,557	5,132	13,492	2,404	21,028
Central Depository Company of Pakistan Limited - Trustee									
Remuneration payable	31	30	29	90	28	29	19	76	
Security Deposit receivable	100	100	100	300	100	100	100	300	
Directors of Connected Persons									
Units held	Number	863	37,628	41,336	79,827	863	22,074	23,614	46,551
Amount of units held		353	7,906	7,624	15,883	279	4,545	4,194	9,018

17. FAIR VALUE 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 7.

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

		Held by Equity sub-fund							
		March 31, 2021							
		Carrying Amount			Fair Value				
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	158,085	-	-	-	158,085	158,085	-	-	158,085
	158,085	-	-	-	158,085				
Financial assets not measured at fair value									
18.1	-	-	-	13,270	13,270				
	-	-	-	1,801	1,801				
	-	-	-	4,876	4,876				
	-	-	-	19,947	19,947				
	158,085	-	-	19,947	178,032				
Financial liabilities not measured at fair value									
18.1	-	-	-	281	281				
	-	-	-	31	31				
	-	-	-	123	123				
	-	-	-	435	435				
(Rupees in '000)									
		Held by Equity sub-fund							
		June 30, 2020							
		Carrying Amount			Fair Value				
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	178,275	-	-	-	178,275	178,275	-	-	178,275
	178,275	-	-	-	178,275				
Financial assets not measured at fair value									
18.1	-	-	8,088	-	8,088				
	-	-	59	-	59				
	-	-	131	-	131				
	-	-	8,278	-	8,278				
	178,275	-	8,278	-	186,553				
Financial liabilities not measured at fair value									
18.1	-	-	-	281	281				
	-	-	-	28	28				
	-	-	-	1,644	1,644				
	-	-	-	1,953	1,953				

										Held by Debt sub-fund							
										March 31, 2021							
On-balance sheet financial instruments										Carrying Amount				Fair Value			
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total								
										(Rupees in '000)							
Financial assets measured at fair value																	
- Government securities																	
	Treasury Bills	113,443	-	-	-	113,443	-	113,443	-	113,443							
	Pakistan Investment Bonds	32,693	-	-	-	-	-	-	-	-							
	- Term Finance Certificates and Sukuk Bonds - Unlisted	32,528	-	-	-	32,528	-	32,528	-	32,528							
		178,664	-	-	-	145,971	-	-	-	145,971							
Financial assets not measured at fair value																	
18.1	- Bank balances	-	-	-	80,073	80,073	-	-	-	-							
	- Dividend receivable and accrued mark-up	-	-	-	1,295	1,295	-	-	-	-							
	- Advances, deposits, prepayments and other receivables	-	-	-	205	205	-	-	-	-							
	- Commercial Papers	-	-	-	-	-	-	-	-	-							
		178,664	-	-	81,573	81,573	-	-	-	227,544							
Financial liabilities not measured at fair value																	
18.1	- Payable to the Pension Fund Manager	-	-	-	287	287	-	-	-	-							
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	30	30	-	-	-	-							
	- Accrued expenses and other liabilities	-	-	-	118	118	-	-	-	-							
		-	-	-	435	435	-	-	-	-							
										Held by Debt sub-fund							
										June 30, 2020							
On-balance sheet financial instruments										Carrying Amount				Fair Value			
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total								
										(Rupees in '000)							
Financial assets measured at fair value																	
- Government securities																	
	Treasury bills	37,477	-	-	-	37,477	-	37,477	-	37,477							
	Pakistan Investment Bonds	50	-	-	-	50	-	50	-	50							
	- Term Finance Certificates and Sukuk Bonds - Unlisted	44,264	-	-	-	44,264	-	-	-	-							
		81,791	-	-	-	81,791	-	-	-	-							
Financial assets not measured at fair value																	
18.1	- Bank balances	-	-	19,604	-	19,604	-	-	-	-							
	- Dividend receivable and accrued mark-up	-	-	3,430	-	3,430	-	-	-	-							
	- Advances, deposits, prepayments and other receivables	-	-	207	-	207	-	-	-	-							
	- Commercial papers	-	-	3,982	-	3,982	-	-	-	-							
		-	-	27,223	-	27,223	-	-	-	-							
		81,791	-	27,223	-	109,014	-	-	-	-							
Financial liabilities not measured at fair value																	
18.1	- Payable to the Pension Fund Manager	-	-	-	339	339	-	-	-	-							
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	29	29	-	-	-	-							
	- Accrued expenses and other liabilities	-	-	-	106	106	-	-	-	-							
		-	-	-	474	474	-	-	-	-							
										Held by Money Market sub-fund							
										March 31, 2021							
On-balance sheet financial instruments										Carrying Amount				Fair Value			
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total								
										(Rupees in '000)							
Financial assets measured at fair value																	
- Government securities																	
	Treasury Bills	78,477	-	-	-	78,477	-	78,477	-	78,477							
		78,477	-	-	-	78,477	-	-	-	-							
Financial assets not measured at fair value																	
18.1	- Bank balances	-	-	-	106,904	106,904	-	-	-	-							
	- Dividend receivable and accrued mark-up	-	-	-	944	944	-	-	-	-							
	- Advances, deposits, prepayments and other receivables	-	-	-	178	178	-	-	-	-							
	- Commercial Papers	-	-	-	4,715	4,715	-	-	-	-							
		78,477	-	-	112,741	112,741	-	-	-	191,218							
Financial liabilities not measured at fair value																	
18.1	- Payable to the Pension Fund Manager	-	-	-	306	306	-	-	-	-							
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	29	29	-	-	-	-							
	- Accrued expenses and other liabilities	-	-	-	107	107	-	-	-	-							
		-	-	-	442	442	-	-	-	-							
										Held by Money Market sub-fund							
										June 30, 2020							
On-balance sheet financial instruments										Carrying Amount				Fair Value			
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total								
										(Rupees in '000)							
Financial assets measured at fair value																	
- Government securities																	
	Treasury Bills	-	-	-	-	-	-	-	-	-							
Financial assets not measured at fair value																	
18.1	- Bank balances	-	-	55,999	-	55,999	-	-	-	-							
	- Dividend receivable and accrued mark-up	-	-	255	-	255	-	-	-	-							
	- Advances, deposits, prepayments and other receivables	-	-	180	-	180	-	-	-	-							
		-	-	56,434	-	56,434	-	-	-	-							
		-	-	56,434	-	56,434	-	-	-	-							
Financial liabilities not measured at fair value																	
18.1	- Payable to the Pension Fund Manager	-	-	-	234	234	-	-	-	-							
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	19	19	-	-	-	-							
	- Accrued expenses and other liabilities	-	-	-	74	74	-	-	-	-							
		-	-	-	327	327	-	-	-	-							

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

18. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on April 30, 2021.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

19.1 Update on CoVID-19 Impact :

In continuation of note _____ to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

**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	Yousuf Adil Chartered Accountants.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Faysal Bank Limited Bank Islami Pakistan Limited Soneri Bank Limited Bank Al Habib Limited Meezan Bank Limited Dubai Islamic Bank Summit Bank Limited Allied Bank Limited Habib Metropolitan Bank Limited

HBL Islamic Pension Fund

Condensed Interim Balance Sheet

As at March 31, 2021

Note	March 31, 2021 (Un-Audited)				June 30, 2020 (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) -----									
Assets									
Bank balances	6	12,554	36,367	59,050	107,971	9,271	57,147	50,483	116,901
Investments	7	153,531	47,969	17,483	218,983	120,809	14,685	1,953	137,447
Dividend and profit receivable	8	412	1,628	826	2,866	66	620	390	1,076
Advances, deposits, prepayments and other receivables	9	9,575	229	133	9,937	193	549	133	875
Total assets		176,072	86,193	77,492	339,757	130,339	73,001	52,959	256,299
Liabilities									
Payable to Pension Fund Manager	10	244	119	108	471	204	106	68	378
Payable to Central Depository Company of Pakistan Limited - Trustee	11	28	14	12	54	17	11	7	35
Payable to Securities and Exchange Commission of Pakistan	12	29	15	12	56	38	20	15	73
Accrued expenses and other liabilities	13	4,208	1,085	804	6,097	6,761	1,011	742	8,514
Total liabilities		4,509	1,233	936	6,678	7,020	1,148	832	9,000
Net assets		171,563	84,960	76,556	333,079	123,319	71,853	52,127	247,299
Participants' sub funds (as per statement attached)		171,563	84,960	76,556	333,079	123,319	71,853	52,127	247,299
Number of units in issue	14	381,667	501,468	462,155	1,345,290	359,107	439,427	324,233	1,122,767
----- (Rupees) -----									
Net assets value per unit		449.5089	169.4225	165.6505		343.4056	163.5160	160.7700	

The annexed notes 1 to 19 form an integral part of the condensed interim financial information

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)

For the Nine months period ended March 31, 2021

Note	2021				2020			
	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) -----							
Income								
Dividend income	3,998	-	-	3,998	4,854	-	-	4,854
Profit on bank deposits calculated using the effective interest method	213	1,938	2,258	4,409	606	4,201	3,883	8,690
Mark-up / return on investments calculated using the effective interest method	-	2,061	788	2,849	-	1,824	213	2,037
Realized (loss) on sale of investments	15,360	3	(84)	15,279	(226)	(24)	-	(250)
Unrealized (diminution) on re-measurement of investments at fair value through profit or loss	23,288	109	(12)	23,385	(10,568)	21	-	(10,547)
	42,859	4,111	2,950	49,920	(5,334)	6,022	4,096	4,784
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	42,859	4,111	2,950	49,920	(5,334)	6,022	4,096	4,784
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,990	1,009	810	3,809	1,672	879	644	3,195
Remuneration of Central Depository Company of Pakistan Limited - Trustee	200	101	81	382	168	88	65	321
Annual fee to Securities and Exchange Commission of Pakistan	29	15	12	56	30	16	12	58
Auditors' remuneration	89	86	66	241	149	85	75	309
Settlement and bank charges	34	20	25	79	33	33	26	92
Other expenses	783	-	-	783	610	1	-	611
	3,125	1,231	994	5,350	2,662	1,102	822	4,586
	39,734	2,880	1,956	44,570	(7,996)	4,920	3,274	198
Provision for Sindh Workers' Welfare Fund (SWWF)	(781)	(56)	(38)	(875)	-	(96)	(64)	(160)
Net (loss) / income before taxation	38,953	2,824	1,918	43,695	(7,996)	4,824	3,210	38
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the period	38,953	2,824	1,918	43,695	(7,996)	4,824	3,210	38
Other comprehensive income								
<i>Items to be reclassified to income statement in subsequent periods:</i>								
Unrealised (loss) on re-measurement of investments - classified as available for sale	-	-	-	-	-	-	-	-
Reclassification adjustment relating to available for sale investments sold during the period	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	38,953	2,824	1,918	43,695	(7,996)	4,824	3,210	38

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Income Statement And Other Comprehensive Income (Un-audited)

For the three months period ended March 31, 2021

Note	2021				2020			
	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)								
Income								
Dividend income	1,048	-	-	1,048	795	-	-	795
Profit on bank deposits calculated using the effective interest method	(10,596)	1,938	2,342	(6,316)	181	1,390	1,103	2,674
Mark-up / return on investments calculated using the effective interest method	(161)	644	(595)	(112)	-	436	73	509
Realized (loss) on sale of investments	15,360	(1,239)	(601)	13,520	(6,794)	-	-	(6,794)
Unrealized (diminution) on re-measurement of investments at fair value through profit or loss	941	246	83	1,270	(34,011)	(12)	-	(34,023)
	6,592	1,589	1,229	9,410	(39,829)	1,814	1,176	(36,839)
Impairment loss on investments classified as 'available for sale'	(1,274)	(661)	(510)	(2,445)	-	(1,322)	(1,020)	(2,342)
	5,318	928	719	6,965	(39,829)	492	156	(39,181)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,971	999	802	3,772	563	273	194	1,030
Remuneration of Central Depository Company of Pakistan Limited - Trustee	142	51	44	237	57	27	20	104
Annual fee to Securities and Exchange Commission of Pakistan	29	15	12	56	8	4	3	15
Auditors' remuneration	89	86	66	241	59	37	37	133
Settlement and bank charges	(356)	6	6	(344)	13	9	7	29
Other expense	656	(3)	(3)	650	368	(3)	(3)	362
	2,531	1,154	927	4,612	1,068	347	258	1,673
	2,787	(226)	(208)	2,353	(40,897)	145	(102)	(40,854)
Provision for Sindh Workers' Welfare Fund (SWWF)	(109)	(22)	(17)	(148)	645	(28)	(18)	599
Net (loss) / income before taxation	2,678	(248)	(225)	2,205	(40,252)	1,439	900	(40,255)
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the period	2,678	(248)	(225)	2,205	(40,252)	1,439	900	(40,255)
Other comprehensive income								
<i>Items to be reclassified to income statement in subsequent periods:</i>								
Unrealised gain / (loss) on re-measurement of investments - classified as available for sale	-	-	-	-	-	-	-	-
Reclassification adjustment relating to available for sale investments sold during the period	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	2,678	(248)	(225)	2,205	(40,252)	1,439	900	(40,255)

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Statement Of Movement In Participants' Sub Funds (Un-audited)
For the Nine months period ended March 31, 2021

Note	2021				2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Net assets at beginning of the period	123,319	71,853	52,127	247,299	121,889	72,599	53,244	247,732
Issuance of units	34,492	35,183	40,471	110,146	25,069	34,783	12,554	72,406
Redemption of units	(25,201)	(24,900)	(17,960)	(68,061)	(46,451)	(36,772)	(18,778)	(102,001)
Reallocation among funds	9,291	10,283	22,511	42,085	(13,018)	(8,235)	(8,342)	(29,595)
Other comprehensive income								
Net (loss) / income for the period	38,953	2,824	1,918	43,695	(7,996)	4,824	3,210	38
Net unrealised (loss) / gain on remeasurement of investments classified as available for sale	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	38,953	2,824	1,918	43,695	(7,996)	4,824	3,210	38
Net assets at end of the period	171,563	84,960	76,556	333,079	100,875	69,188	48,112	218,175
Net assets value per unit at beginning of the period	343.4056	163.516	160.7700		323.8249	152.2556	148.7409	
Net assets value per unit at end of the period	449.5089	169.4225	165.6505		286.3145	163.2463	158.453	

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Cash Flow Statement (Un-audited)
For the Nine months period ended March 31, 2021

Note	2021				2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
CASH FLOW FROM OPERATING ACTIVITIES								
Net (loss) / income for the period	38,953	2,824	1,918	43,695	(7,996)	4,824	3,210	38
Adjustments								
Unrealized diminution in the market value of investments classified as fair value through profit or loss	(23,288)	(109)	(12)	(23,409)	10,568	(21)	-	10,547
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	15,665	2,715	1,906	20,286	2,572	4,803	3,210	10,585
Decrease / (increase) in assets								
Investments - net	(9,434)	(33,175)	(15,518)	(58,127)	6,159	9,464	2,090	17,713
Dividend and profit receivable	(346)	(1,008)	(436)	(1,790)	(142)	165	240	263
Advances, deposits, prepayments and other receivables	(9,382)	320	-	(9,062)	402	(1)	(1)	400
	(19,162)	(33,863)	(15,954)	(68,979)	6,419	9,628	2,329	18,376
(Decrease) / increase in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	40	13	40	93	(38)	(10)	(22)	(70)
Payable to Central Depository Company of Pakistan Limited - Trustee	11	3	5	19	-	-	(1)	(1)
Payable to Securities and Exchange Commission of Pakistan	(9)	(5)	(3)	(17)	(30)	(15)	(13)	(58)
Accrued expenses and other liabilities	(2,553)	74	62	(2,417)	2,065	4	(175)	1,894
	(2,511)	85	104	(2,322)	1,997	(21)	(211)	1,765
Net cash (used in) / generated from operating activities	(6,008)	(31,063)	(13,944)	(51,015)	10,988	14,410	5,328	30,726
CASH FLOW FROM FINANCING ACTIVITIES								
Amount received on issue of units	34,492	35,183	40,471	110,146	25,069	34,783	12,554	72,406
Amount paid on redemption of units	(25,201)	(24,900)	(17,960)	(68,061)	(46,451)	(36,772)	(18,778)	(102,001)
Reallocation among funds	-	-	-	-	8,364	(6,246)	(2,118)	-
Net cash generated from / (used in) financing activities	9,291	10,283	22,511	42,085	(13,018)	(8,235)	(8,342)	(29,595)
Net (decrease) / increase in cash and cash equivalents	3,283	(20,780)	8,567	(8,930)	(2,030)	6,175	(3,014)	1,131
Cash and cash equivalents at beginning of the period	9,271	57,147	50,483	116,901	12,902	47,175	49,444	109,521
Cash and cash equivalents at end of the period	12,554	36,367	59,050	107,971	10,872	53,350	46,430	110,652

The annexed notes 1 to 19 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the Nine months period ended March 31, 2021

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 (the Pension Fund Manager) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011.

The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, 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 Al-Hilal Shariah Advisors (Pvt.) Limited 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, HBL Islamic Pension Fund - Debt Sub-Fund and HBL Islamic Pension Fund - Money Market Sub-Fund (collectively the "Sub-Funds"). The investment policy for each of the sub-funds is 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. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Debt Sub-Fund consists 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. In case the Shariah compliant securities issued by Federal Government are not available to comply with above, the assets of a Shariah compliant debt sub-fund may be deposited in Islamic commercial banks, having not less than "A+" rating or Islamic window of commercial banks, having not less than "AA" rating, or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.
- The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by Federal Government and Islamic windows of commercial banks having 'A+' rating provided that deposits with one bank shall not exceed 20% of net assets of Money Market Sub-Fund. Investments in securities issued by Provincial Government, City Government, Government corporation with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be in proportion as defined in offering document.

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and or directives issued under the Companies Act, 2017.

In case where requirements differ, the VPS Rules and the provisions of and or directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2018. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

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 POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2019.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2019.

6. BANK BALANCES

Note	March 31, 2021				June 30, 2020				
	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) -----								
Savings accounts	6.1	12,554	36,367	59,050	107,971	9,271	57,147	50,483	116,901
Term deposit receipts (TDRs)	6.2	-	-	-	-	-	-	-	-
		<u>12,554</u>	<u>36,367</u>	<u>59,050</u>	<u>107,971</u>	<u>9,271</u>	<u>57,147</u>	<u>50,483</u>	<u>116,901</u>

7. INVESTMENTS

	(Un-audited) December 31, 2020				Audited June 30, 2020			
	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")								
Financial assets at fair value through profit and loss								
Listed equity securities	5.1	153,531	-	153,531	120,809	-	-	120,809
Government securities-Ijarah sukuks	5.2	-	36,624	11,566	-	-	-	-
Term finance certificate and sukuk bonds	5.3	-	11,345	3,000	-	14,685	-	14,685
		<u>153,531</u>	<u>47,969</u>	<u>14,566</u>	<u>120,809</u>	<u>14,685</u>	<u>-</u>	<u>135,494</u>
At amortised Cost								
Commercial papers	5.3	-	-	2,917	-	-	1,953	1,953
		<u>153,531</u>	<u>47,969</u>	<u>17,483</u>	<u>120,809</u>	<u>14,685</u>	<u>1,953</u>	<u>137,447</u>

7.1 Listed Equity Securities - at fair value through profit or loss

7.1.1 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, 2020	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of net assets of the sub fund	Market value as a percentage investments of sub fund	Percentage of paid up capital of the investee company held
(Number of shares)						(Rupees in "000")		(%)		
CHEMICALS										
Engro Polymer & Chemicals Ltd	105,385	78,500	-	-	94,000	89,885	4,943	3.00%	3.00%	0.01%
ICI Pakistan Limited	3,000	2,400	-	-	5,400	-	-	0.00%	0.00%	0.00%
Nimir Resins Ltd	-	150,000	-	-	-	150,000	1,739	-	-	-
Sitara Chemical Industries Limited	5,100	500	-	-	5,600	-	-	0.00%	0.00%	0.00%
Sitara Peroxide Limited	54,000	7,000	-	-	61,000	-	-	0.00%	0.00%	0.00%
	<u>167,485</u>	<u>238,400</u>	<u>-</u>	<u>-</u>	<u>166,000</u>	<u>239,885</u>	<u>6,682</u>	<u>3.00%</u>	<u>3.00%</u>	<u>0.01%</u>
TRANSPORT										
Pakistan National Shipping Corporation	20,000	4,000	-	-	24,000	-	-	0.00%	0.00%	0.00%
	<u>20,000</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
CEMENT										
Cherat Cement Company Ltd	22,500	8,000	-	-	19,500	11,000	1,767	1.00%	1.00%	0.01%
D G Khan Cement Co.Ltd.	14,000	54,500	-	-	22,500	46,000	5,543	3.00%	4.00%	0.01%
Fauji Cement Company Limited	-	75,000	-	-	75,000	-	-	0.00%	0.00%	0.00%
Lotte Chemical	-	178,000	-	-	178,000	-	-	-	-	-
Kohat Cement Ltd	24,100	-	-	-	13,800	10,300	2,134	1.00%	1.00%	0.01%
Attock Cement Pakistan	-	10,000	-	-	-	10,000	1,697	-	-	-
Lucky Cement Ltd	21,300	6,100	-	-	8,200	19,200	15,698	10.00%	10.00%	0.01%
Maple Leaf Cement Factory Ltd	84,000	90,500	-	-	61,500	113,000	5,062	3.00%	3.00%	0.01%
Pioneer Cement Limited	-	16,500	-	-	16,500	-	-	0.00%	0.00%	0.00%
	<u>165,900</u>	<u>438,600</u>	<u>-</u>	<u>-</u>	<u>395,000</u>	<u>209,500</u>	<u>31,901</u>	<u>18.00%</u>	<u>19.00%</u>	<u>0.05%</u>
PHARMACEUTICALS										
Ferozsons Laboratories Limited	-	11,100	1,728	-	12,540	288	88	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	5,313	-	-	-	5,300	13	8	0.00%	0.00%	0.00%
The Searle Company Ltd	7,411	6,000	-	-	7,129	6,282	1,552	1.00%	1.00%	0.00%
AGP Limited	10,875	18,000	-	-	16,875	12,000	1,370	1.00%	1.00%	0.00%
GlaxoSmithKline (Pakistan) Limited	9,900	-	-	-	9,900	-	-	0.00%	0.00%	0.00%
	<u>33,499</u>	<u>35,100</u>	<u>1,728</u>	<u>-</u>	<u>51,744</u>	<u>18,583</u>	<u>3,018</u>	<u>2.00%</u>	<u>2.00%</u>	<u>0.00%</u>
FERTILIZERS										
Engro Corporation Ltd	36,090	3,800	-	-	39,890	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Co Ltd	32,500	15,000	-	-	47,500	-	-	0.00%	0.00%	0.00%
Engro Fertilizer Limited	30,200	32,000	-	-	62,200	-	-	0.00%	0.00%	0.00%
	<u>98,790</u>	<u>50,800</u>	<u>-</u>	<u>-</u>	<u>149,590</u>	<u>-</u>	<u>1</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
AUTOMOBILE PARTS AND ACCESSORIES										
Thal Limited (Face value of Rs. 5 each)	10,950	-	-	-	10,800	150	55	0.00%	0.00%	0.00%
	<u>10,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,800</u>	<u>150</u>	<u>55</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
INVESTMENT COMPANIES										
Dawood Hercules Corporation Limited	5,000	10,000	-	-	15,000	-	-	0.00%	0.00%	0.00%
	<u>5,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
AUTOMOBILE ASSEMBLER										
Honda Atlas Cars (Pakistan) Ltd	-	11,800	-	-	9,600	2,200	600	0.00%	0.00%	0.00%
Ghandhara Nissan Ltd	-	15,500	-	-	-	15,500	1,566	-	-	-
Panther Tyres Ltd	-	24,076	-	-	-	24,076	1,552	-	-	-
Indus Motor Company	-	2,400	-	-	2,400	-	-	-	-	-
Millat Tractors Ltd	-	4,900	211	-	3,400	1,711	1,882	1.00%	1.00%	0.00%
Pak Suzuki Motor Company Limited	14,000	16,000	-	-	17,000	13,000	4,093	2.00%	3.00%	0.02%
Sazgar Engineering Works Limited	8,000	-	-	-	8,000	-	-	0.00%	0.00%	0.00%
	<u>22,000</u>	<u>74,676</u>	<u>211</u>	<u>-</u>	<u>40,400</u>	<u>56,487</u>	<u>9,693</u>	<u>3.00%</u>	<u>4.00%</u>	<u>0.02%</u>
TEXTILE COMPOSITE										
Interloop Limited	57,445	-	-	-	-	57,445	3,798	2.00%	2.00%	0.01%
Kohinoor Textile Mills Ltd	-	48,500	-	-	3,000	45,500	2,791	2.00%	2.00%	0.02%
Nishat Mills Ltd	35,200	13,500	-	-	48,700	-	-	0.00%	0.00%	0.00%
	<u>92,645</u>	<u>62,000</u>	<u>-</u>	<u>-</u>	<u>51,700</u>	<u>102,945</u>	<u>6,589</u>	<u>4.00%</u>	<u>4.00%</u>	<u>0.03%</u>

Name of the investee company	As at July 1, 2020	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as a percentage of net assets of the sub fund	Market value as a percentage investments of sub fund	Percentage of paid up capital of the investee company held
	(Number of shares)				(Rupees in "000")					
	(%)									
OIL & GAS EXPLORATION COMPANIES										
Mari Petroleum Company Ltd	7,746	1,000	-	-	1,600	7,146	10,943	7.00%	7.00%	0.01%
Oil & Gas Development Co Ltd	98,600	20,800	-	-	16,400	103,000	10,466	6.00%	7.00%	0.00%
Shell Pakistan	-	5,000	-	-	5,000	-	-	-	-	-
Pakistan Oilfields Ltd	3,500	6,600	-	-	900	9,200	3,395	2.00%	2.00%	0.00%
Pakistan Petroleum Ltd	84,300	29,000	-	-	5,400	107,900	9,423	6.00%	6.00%	0.00%
	194,146	62,400	-	-	29,300	227,246	34,227	21.00%	22.00%	0.01%
OIL & GAS MARKETING COMPANIES										
Pakistan State Oil Company Ltd	34,323	14,300	-	-	11,800	36,823	8,334	5.00%	5.00%	0.01%
Sui Northern Gas Pipeline Ltd	54,700	19,000	-	-	73,700	-	-	0.00%	0.00%	0.00%
	89,023	33,300	-	-	85,500	36,823	8,334	5.00%	5.00%	0.01%
CABLE AND ELECTRICAL GOODS										
Pak Elektron Ltd	-	42,500	-	-	-	42,500	1,404	1.00%	1.00%	0.01%
Waves Singer Pakistan Limited	-	141,500	-	-	141,500	-	-	0.00%	0.00%	0.00%
	-	184,000	-	-	141,500	42,500	1,404	1.00%	1.00%	0.01%
COMMERCIAL BANKS										
Bank Islami Pakistan Limited	-	218,000	-	-	-	218,000	2,564	2.00%	2.00%	0.02%
Meezan Bank Limited	58,005	45,000	3,356	-	35,500	70,861	8,020	5.00%	5.00%	0.01%
	58,005	263,000	3,356	-	35,500	288,861	10,584	7.00%	7.00%	0.03%
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Ltd	100,931	50,500	-	-	42,000	109,431	8,879	5.00%	6.00%	0.01%
K-Electric Limited (Rs. 3.5 each)	723,500	-	-	-	723,500	-	-	0.00%	0.00%	0.00%
	824,431	50,500	-	-	765,500	109,431	8,879	5.00%	6.00%	0.01%
LEATHER AND TANNERIES										
Service Industries Ltd	-	2,100	-	-	2,100	-	-	-	-	-
Bata (Pakistan) Limited	1,040	-	-	-	1,040	-	-	0.00%	0.00%	0.00%
	1,040	2,100	-	-	3,140	-	-	0.00%	0.00%	0.00%
ENGINEERING										
Agha Steel Ind.Ltd	-	85,000	-	-	-	85,000	2,625	2.00%	2.00%	0.01%
Aisha Steel Industries	-	75,000	-	-	-	75,000	1,781	-	-	-
Amreli Steels Ltd	-	35,000	-	-	35,000	-	-	-	-	-
International Industries Ltd	6,200	9,000	-	-	2,000	13,200	2,682	2.00%	2.00%	0.01%
International Steels Limited	11,500	9,000	-	-	3,500	17,000	1,455	1.00%	1.00%	0.00%
Mughal Iron & Steel Inds Ltd	46,000	39,500	-	5,120	53,500	37,120	3,094	2.00%	2.00%	0.01%
	63,700	252,500	-	5,120	94,000	227,320	11,637	7.00%	7.00%	0.03%
REFINERY										
National Refinery Ltd	-	23,500	-	-	16,500	7,000	4,124	-	-	-
Attock Refinery Limited	-	31,000	-	-	14,000	17,000	4,341	3.00%	3.00%	0.02%
	-	54,500	-	-	30,500	24,000	8,465	3.00%	3.00%	0.02%
TECHNOLOGY AND COMMUNICATION										
Avanceon Limited	-	23,000	-	-	4,000	19,000	1,679	1.00%	1.00%	0.01%
Systems Limited	14,500	-	561	-	9,400	5,661	2,664	2.00%	2.00%	0.00%
	14,500	23,000	561	-	13,400	24,661	4,343	3.00%	3.00%	0.01%
FOOD AND PERSONNEL CARE PRODUCTS										
Al Shaheer Corporation	-	71,000	-	-	71,000	-	-	-	-	-
Synthetic Products Ltd	-	20,000	-	-	-	20,000	769	-	-	-
The Organic Meat Company Limited	-	113,000	-	-	-	113,000	3,453	2.00%	2.00%	0.10%
	-	204,000	-	-	71,000	133,000	4,222	2.00%	2.00%	0.10%
GLASS & CERAMICS										
Tariq Glass Industries	-	18,500	5,000	-	2,500	21,000	1,757	-	-	-
	-	18,500	5,000	-	2,500	21,000	1,757	-	-	-
VANASPATI AND ALLIED INDUSTRIES										
National Foods										
Unity Foods Limited	-	7,500	-	-	7,500	-	-	-	-	-
	-	466,500	-	-	408,000	58,500	1,740	1.00%	1.00%	0.01%
	-	474,000	-	-	415,500	58,500	1,740	1.00%	1.00%	0.01%
	1,861,114	2,535,376	10,856	5,120	2,591,574	1,820,892	153,531	85.0%	89.0%	0.4%

7.1.2 The above investments include shares with market value aggregating to Rs. 154.549 million (June 2020: Rs. 120.809 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

7.1.3 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 Honorable 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 Honorable Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement amounting Rs.0.121 million (2020: 0.094 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.

7.2 Government securities- Ijarah sukuk

7.2.1 Held by Debt sub fund

Issue date	Tenure	As at July 1, 2020	Purchases during the period	Matured / sold during the period	As at March 31, 2021	Amortised cost as at March 31, 2021	Market value as at March 31, 2021	Market value as percentage of net assets of the sub-fund	Market value as a percentage of total investments of sub-fund
(Rupees in '000')									
April 30, 2020	5 Years	-	38,000	-	38,000	36,587	36,624	44.67%	76.35%
		-	38,000	-	38,000	36,587	36,624		

7.2.2 Held by Money Market sub fund

Issue date	Tenure	As at July 1, 2020	Purchases during the period	Matured / sold during the period	As at March 31, 2021	Amortised cost as at Dec 30, 2020	Market value as at March 31, 2021	Market value as percentage of net assets of the sub-fund	Market value as a percentage of total investments of sub-fund
(Rupees in '000')									
April 30, 2020	5 Years	-	22,000	10,000	12,000	11,580	11,566	17.04%	66.16%
		-	22,000	10,000	12,000	11,580	11,566		

7.3 Term finance certificate and sukuk bonds

7.3.1 Held by Debt sub fund

Name of the investee company	Issue date	Maturity date	As at July 1, 2020	Purchases during the period	Matured / sold during the period	As at March 31, 2021	Market value as at March 31, 2021	Market value as percentage of net assets of the sub-fund	Market value as a percentage of total investments of sub-fund
			(Number of certificates)			(Rupees in '000')		(%)	
Fertilizers									
Fatima Fertilizers Company Limited	28-Nov-16	28-Nov-21	357	-	-	357	359	0.44%	0.75%
			357	-	-	357	359		
Multitiilities									
Water and Power Development Authority	14-Oct-13	14-Oct-21	474	-	-	474	338	0.42%	0.70%
K-Electric	17-Jun-15	17-Jun-22	1,550	-	-	1,550	1,956	2.41%	4.08%
Hub Power Company Limited	19-Mar-20	19-Mar-24	50	-	-	50	5,110	6.30%	10.65%
			2,074	-	-	2,074	7,404		
Pharmaceuticals									
AGP Limited	9-Jun-17	9-Jun-22	24	-	-	24	606	0.75%	1.26%
			24	-	-	24	606		
Insurance									
TPL			-	1	-	1	1,000	1.23%	2.08%
			-	1	-	1	1,000		
Miscellaneous									
International Brands Limited Sukuk	15-Nov-17	15-Nov-21	20	-	-	20	1,054	1.30%	2.20%
Agha Steel Industries Limited Sukuk	9-Oct-18	9-Oct-24	1	-	-	1	922	1.14%	1.92%
			21	-	-	21	1,976		
Total			2,476	1	-	2,477	11,345		

* Related party due to common directorship
Carrying value before fair value adjustments as at March 31, 2021

12,211

11.1 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2018: 13%) on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2017.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of average annual net asset value of the pension fund.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

	Note	March 31, 2021				June 30, 2020			
		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) -----									
Auditors' remuneration		73	78	60	211	119	65	46	230
Payable against purchase of investments		-	-	-	-	3,069	-	-	3,069
Federal Excise Duty	13.1	879	488	383	1,750	880	488	383	1,751
Provision for Sindh Workers' Welfare Fund	16	2,980	352	263	3,595	2,199	295	225	2,719
Payable against redemption of units		-	-	-	-	-	-	-	-
Other payable		276	168	98	542	494	163	88	745
		4,208	1,086	804	6,098	6,761	1,011	742	8,514

13.1 As per the requirement of Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager has been applied effective 13 June 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to provincial sales tax, further levy of FED may result in double taxation, which does not appear to be the spirit of the law.

The Honorable Sindh High Court (SHC) through its order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has inter alia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

Sindh Revenue Board and Federal Board of Revenue have filed appeals before Honorable Supreme Court against the Sindh High Court's decision dated 2 June 2016. Therefore, as a matter of abundant caution, without prejudice to the above, the Pension Fund Manager has made a provision with effect from 13 June 2013, aggregating to Rs. 0.879 million, 0.488 million and 0.383 million (June 30, 2018: Rs. 0.879 million, Rs. 0.488 million and Rs. 0.383 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. 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 March 31, 2019 would have been higher by Rs. 2.50, Rs. 1.15 and Rs. 1.26 (June 30, 2019: Rs. 2.34 Rs.1.02 and Rs. 1.07) 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.

14. NUMBER OF UNITS IN ISSUE

	March 31, 2021				June 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Number) -----								
Opening units in issue	359,107	439,427	324,233	1,122,767	376,403	476,820	357,964	1,211,187
Units issued during the period	85,206	211,679	247,623	544,508	85,083	243,345	111,676	440,104
Units redeemed during the period	(62,646)	(149,638)	(109,701)	(321,985)	(131,604)	(240,319)	(131,352)	(503,275)
Reallocation during the period				-	29,225	(40,419)	(14,055)	(25,249)
Total units in issue at the end of the period	381,667	501,468	462,155	1,345,290	359,107	439,427	324,233	1,122,767

15. PROVISION FOR WORKERS' WELFARE FUND

The Finance Act, 2008 introduced amendments to the Workers' Welfare Fund (WWF) Ordinance, 1971 whereby the definition of industrial establishment was extended. The amendments were challenged at various levels and conflicting judgments were rendered by the Lahore High Court, Sindh High Court and Peshawar High Court. The Honourable Supreme Court of Pakistan vide its judgment dated 10 November 2016, has upheld the view of Lahore High Court and decided that WWF is not a tax and hence the amendments introduced through Finance Act, 2008 are ultra-vires to the Constitution. The Federal Board of Revenue has filed Civil Review Petitions in respect of above judgment with the prayer that the judgment dated 10 November 2016 passed in the Civil Appeal may kindly be reviewed in the interest of justice.

Furthermore, the Sindh Revenue Board (SRB) had written to few mutual funds in January 2016 to register and pay Sindh Workers Welfare Fund (SWWF) for the accounting year closing on or after 31 December 2013. MUFAP reviewed the issue and based on an opinion decided that SWWF is not applicable on mutual funds as they are not financial institutions as required by SWWF Act, 2014. MUFAP wrote to SRB that mutual funds are not establishments and are pass through vehicles hence, they do not have any worker and no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, therefore SWWF is applicable on mutual funds. MUFAP has taken up this matter before the Sindh Finance Ministry to exclude mutual funds from SWWF.

In view of the above developments regarding the applicability of WWF and SWWF on CISs / mutual funds and considering the legal opinion obtained on these matters, MUFAP has recommended the following to all its members on 12 January 2017:

- based on legal opinion, the entire provision against the Federal WWF held by the CISs till 30 June 2015, to be reversed on 12 January 2017; and
- the provision in respect of Sindh WWF should be made on 12 January 2017 with effect from the date of enactment of the Sindh WWF Act, 2014 (i.e. starting from 21 May 2015).

The above decisions were communicated to the SECP and the Pakistan Stock Exchange Limited on 12 January 2017 and the SECP vide its letter dated 01 February 2017 has advised MUFAP that the adjustments relating to the above should be prospective and supported by adequate disclosures in the financial statements of the CISs / mutual funds. The reversal of provision for WWF amounting to Rs. 1.397 million, Rs. 0.27 million and Rs. 0.223 million of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively and a provision for SWWF of Rs.1.952 million, Rs. 0.350 million and Rs. 0.2710 million of Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively upto 12 January 2017 was made. Thereafter, the provision for SWWF is being made on a daily basis. Had the SWWF not been provided, the NAV per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs. 5.54, Rs. 0.69 and Rs. 0.69 (30 June 2019: Rs. 5.19, Rs. 0.41 and Rs. 0.41) per unit respectively.

16. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

17. FAIR VALUE 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 7.

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

		Held by Equity sub-fund								
		March 31, 2020								
On-balance sheet financial instruments	Note	Carrying Amount				Total	Fair Value			Total
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost		Level 1	Level 2	Level 3	
(Rupees in'000)										
Financial assets measured at fair value										
- Listed equity securities		153,531	-	-	-	153,531	153,531	-	-	153,531
		153,531	-	-	-	153,531				
Financial assets not measured at fair value										
- Bank balances	18.1	-	-	-	12,554	12,554				
- Dividend receivable and accrued mark-up		-	-	-	412	412				
- Advances, deposits, prepayments and other receivables		-	-	-	9,575	9,575				
		-	-	-	22,541	22,541				
		153,531	-	-	22,541	176,072				
Financial liabilities not measured at fair value										
- Payable to the Pension Fund Manager	18.1	-	-	-	244	244				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	28	28				
- Accrued expenses and other liabilities		-	-	-	349	349				
		-	-	-	621	621				
(Rupees in'000)										
		Held by Equity sub-fund								
		June 30, 2020								
On-balance sheet financial instruments	18.1	Carrying Amount				Total	Fair Value			Total
		Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities		Level 1	Level 2	Level 3	
(Rupees in'000)										
Financial assets measured at fair value										
- Listed equity securities		120,809	-	-	-	120,809	153,805	-	-	153,805
		120,809	-	-	-	120,809				
Financial assets not measured at fair value										
- Bank balances	18.1	-	-	9,271	-	9,271				
- Dividend receivable and accrued mark-up		-	-	66	-	66				
- Advances, deposits, prepayments and other receivables		-	-	193	-	193				
		-	-	9,530	-	9,530				
		120,809	-	9,530	-	130,339				
Financial liabilities not measured at fair value										
- Payable to the Pension Fund Manager	18.1	-	-	-	204	204				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	17	17				
- Accrued expenses and other liabilities		-	-	-	3,682	3,682				
		-	-	-	3,903	3,903				

		Held by Debt sub-fund							
		March 31, 2020					Fair Value		
On-balance sheet financial instruments		Carrying Amount					Fair Value		
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
	- GoP Ijarah Sukuks	36,624	-	-	-	-	36,624	-	36,624
	- Term Finance Certificates and Sukuk Bonds - Unlisted	11,345	-	-	-	-	11,345	-	11,345
		47,969	-	-	-	-		-	47,969
Financial assets not measured at fair value									
18.1	- Bank balances	-	-	-	36,367	-	-	-	36,367
	- Term Deposit Receipts (TDRs)	-	-	-	-	-	-	-	-
	- Dividend receivable and accrued mark-up	-	-	-	1,628	-	-	-	1,628
	- Other receivables	-	-	-	229	-	-	-	229
	- Commercial Paper	-	-	-	-	-	-	-	-
		-	-	-	38,224	-	-	-	38,224
		47,969	-	-	38,224	-	-	-	86,193
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	-	119	-	-	-	119
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	14	-	-	-	14
	- Accrued expenses and other liabilities	-	-	-	246	-	-	-	246
		-	-	-	379	-	-	-	379
		Held by Debt sub-fund							
		June 30, 2020					Fair Value		
On-balance sheet financial instruments		Carrying Amount					Fair Value		
Note	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
	- GoP Ijarah Sukuks	-	-	-	-	-	-	-	-
	- Term Finance Certificates and Sukuk Bonds - Unlisted	14,685	-	-	-	-	14,685	-	14,685
		14,685	-	-	-	-		-	14,685
Financial assets not measured at fair value									
18.1	- Bank balances	-	57,147	-	57,147	-	-	-	57,147
	- Dividend receivable and accrued mark-up	-	620	-	620	-	-	-	620
	- Term deposits receipts (TDRs)	-	-	-	-	-	-	-	-
	- Advances, deposits, prepayments and other receivables	-	549	-	549	-	-	-	549
		-	58,316	-	58,316	-	-	-	58,316
		14,685	58,316	-	73,001	-	-	-	73,001
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	106	106	-	-	-	106
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	11	11	-	-	-	11
	- Accrued expenses and other liabilities	-	-	228	228	-	-	-	228
		-	-	345	345	-	-	-	345
		Held by Money Market sub-fund							
		March 31, 2020					Fair Value		
On-balance sheet financial instruments		Carrying Amount					Fair Value		
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
	- GoP Ijarah Sukuks	11,566	-	-	-	-	-	-	11,566
	- Term Finance Certificates and Sukuk Bonds - Unlisted	11,345	-	-	-	-	-	-	11,345
Financial assets not measured at fair value									
18.1	- Bank balances	-	-	59,050	59,050	-	-	-	59,050
	- Term deposits receipts (TDRs)	-	-	-	-	-	-	-	-
	- Dividend receivable and accrued mark-up	-	-	826	826	-	-	-	826
	- Advances, deposits, prepayments and other receivables	-	-	133	133	-	-	-	133
	- Commercial Paper	-	-	1,885	1,885	-	-	-	1,885
		-	-	61,894	61,894	-	-	-	61,894
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	108	108	-	-	-	108
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	12	12	-	-	-	12
	- Accrued expenses and other liabilities	-	-	158	158	-	-	-	158
		-	-	278	278	-	-	-	278
		Held by Money Market sub-fund							
		June 30, 2020					Fair Value		
On-balance sheet financial instruments		Carrying Amount					Fair Value		
Note	Designated as at fair value through	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets not measured at fair value									
18.1	- Bank balances	-	68,492	-	68,492	-	-	-	68,492
	- Term deposits receipts (TDRs)	-	15,500	-	15,500	-	-	-	15,500
	- Dividend receivable and accrued mark-up	-	343	-	343	-	-	-	343
	- Advances, deposits, prepayments and other receivables	-	112	-	112	-	-	-	112
		-	84,447	-	84,447	-	-	-	84,447
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	68	68	-	-	-	68
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	7	7	-	-	-	7
	- Accrued expenses and other liabilities	-	-	134	134	-	-	-	134
		-	-	209	209	-	-	-	209

17.1 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.

18. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on April 30, 2021.

19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

19.1 Update on CoVID-19 Impact :

In continuation of note _____ to annual audited financial statements for the year ended June 30, 2020, we state that as a result of measures taken by Government, there has not been any material adverse impact on fiscal and economic fronts facing the country. The Management of the Fund is closely monitoring the situation and so far, there is no impact on this interim financial information of the Fund.

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

Chief Financial Officer

Chief Executive Officer

Director



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HBL

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