

**HBL**

**ASSET MANAGEMENT LTD.**  
ایسٹٹ میئنجمینٹ لمیٹڈ

AMC Rating : AM2++ by VIS



# HBL Pension Fund & HBL Islamic Pension Fund

## NINE MONTHS REPORT 2022

For the period ended March 31, 2022

MOVING TOWARDS  
**EXCELLENCE**

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# CORPORATE INFORMATION

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## Management Company

HBL Asset Management Limited

## Board of Directors (Composition as of February 11, 2022)

<b>Chairman</b>	Mr. Shahid Ghaffar	(Independent Director)
<b>Directors</b>	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Rayomond H. Kotwal	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)
	Mr. Abrar Ahmed Mir	(Non-Executive Director)
	Mr. Abid Sattar <sup>1</sup>	(Independent Director)

1 Appointment subject to SECP approval.

## Audit Committee

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

## Human Resource & Remuneration Committee

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

## Risk Management Committee

<b>Chairman</b>	Mr. Shahid Ghaffar	(Independent Director)
<b>Members</b>	Mr. Tariq Masaud	(Non-Executive Director)
	Mr. Mir Adil Rashid	(Chief Executive Officer)

## Technology Committee

<b>Chairman</b>	Mr. Abrar Ahmed Mir	(Non-Executive Director)
<b>Members</b>	Mr. Shabbir Hussain Hashmi	(Independent Director)

## Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2++ (Positive Outlook)

Legal Advisor

Bawany & Partners,  
Lane 13, D.H.A Phase 6, Bukhari Commercial Area,  
Defense Housing Authority, Karachi.

Website

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

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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 period ended March 31, 2022.

## Economic Review

The Government adopted a pro-growth budget for FY22, whereby it projected GDP growth rate of 4.8% on the back of higher PSDP expenditure and incentives given to agriculture and industrial sectors. Although, the revival of domestic economic activities has remained on track so far, there are risks to economic growth in the form of rapid increase in Current Account Deficit (CAD) and inflationary pressures on account of elevated international commodity prices. In order to achieve more sustainable economic growth, the authorities had to take some contractionary monetary and fiscal policy measures; however, recent geo-political developments pose further risks to widening of twin deficits, which may lead to GDP growth to moderate to 4.25% for FY22.

The Current Account Deficit (CAD) for Feb-22 clocked in at USD 545mn, taking 8MFY22 CAD to USD 12.1bn, compared to a Surplus of USD 994mn during the same period last year. This was primarily driven by a higher trade deficit as the growth in imports (up 47.8%) outstripped the growth in exports (up 26.2%) due to increase in international commodity prices, higher machinery imports under TERF, and increase in import of food items and COVID-19 vaccines. The higher trade deficit was partially offset by increase in remittances, which amounted to USD 20.14bn for 8MFY22 (up 7.7% YoY), compared to USD 18.71bn during the same period last year. In order to curtail the rapid increase in CAD, the Government has taken several measures, such as imposition of 100% cash margin requirement on import of certain items, and increasing regulatory duties on import of luxury items, among others.

CPI for Mar-22 clocked in at 12.72% YoY, taking 9MFY22 average inflation to 10.77%, compared to 8.34% during the same period last year. The increase in CPI was largely driven by higher food and fuel prices, which have been on a rising trajectory owing to demand-side pressures as global economies begin to reopen, while supply-side constraints still persist.

Fiscal deficit during 7MFY22 was recorded at 2.9% of GDP (PKR 1,862bn), compared to 2.4% of GDP (PKR 1,309bn) during the same period last year. Similarly, Primary balance posted a deficit of PKR 174bn (0.3% of GDP), compared to a surplus of PKR 416bn (0.8% of GDP) during the same period last year. During 8MFY22, FBR has provisionally collected PKR 3,799bn, compared to PKR 2,916bn during the same period last year, whereby net collection has exceeded its target by PKR 268bn.

Rebased LSMI output was up 8.2% YoY during Jan-22, taking 7MFY22 LSMI growth to 7.6% YoY. This was primarily driven by Furniture (+553.3%), Automobiles (+63.5%), Tobacco (+21.9%), Wearing Apparel (+18.3%), and Iron & Steel Products (+17.5%).

## Stock Market Review

During 9MFY22, the KSE-100 index declined by 2,427 pts or 5.13% to close at 44,929 pts. The primary reasons for the market being under pressure were 1) rapid increase in CAD due to rising domestic demand and significant increase in international commodity prices, 2) weakening PKR against the USD (13.95% depreciation in 9MFY22), 3) commencement of monetary tightening with SBP's Monetary Policy Committee increasing the Policy Rate by 2.75% to 9.75%, 4) geo-political issues in the region with heightened uncertainty due to the situation in Afghanistan and a possible reset in US-Pakistan relations, 5) uncertainty surrounding the IMF program, and 6) continued foreign selling after Pakistan's reclassification from MSCI Emerging to Frontier Market Index.

Market sentiment also remained subdued due to escalating tensions between Russia and Ukraine, which resulted in soaring international commodity prices, raising inflationary concerns and prompting selling pressure in global equity markets.

During 9MFY22, major negative contribution came from Cement (1,290 pts), Technology & Communication (734 pts), and Refinery (509 pts) sectors. On the other hand, major positive contribution came from Commercial Bank (949 pts), and Fertilizer (657 pts) sectors.

During the period, average traded volume declined by 57% YoY to 116mn shares, while average traded value declined by 50% YoY to 6.6bn. On the flows side, foreigners were the net sellers during 9MFY22 and sold shares worth USD 271.1mn.

We expect the equity market to regain its positive momentum once there is more clarity on the Government's economic policies, along with easing of geopolitical tensions. Reversal in international commodity prices, either on the back of disruption in demand or increase in supply, may reignite investor interest in relatively riskier asset classes, such as Equities.

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## Money Market Review

In order to support economic recovery post COVID, the Monetary Policy Committee (MPC) kept the Policy Rate unchanged until 19-Sep-21. However, it gradually increased the Policy Rate by 2.75% to 9.75% as it shifted its focus from catalyzing economic recovery toward sustaining it. The MPC noted that the pace of domestic economic recovery had exceeded expectations and, coupled with higher international commodity prices, resulted in CAD increasing rapidly. This created the need to normalize monetary policy faster than initially planned to preserve growth stability.

Accordingly, during 1HFY22, secondary market yields on T-bills increased by an average of ~3.25%, while those on PIBs increased by an average of ~1.98%. The onset of war between Russia and Ukraine further fueled inflationary concerns, thereby causing secondary market yields on T-bills/PIBs to increase further by an average of 0.96%/0.40% during 3QFY22, reflecting investors' expectations of another hike in the Policy Rate.

The cut-off yields in the last T-bills auction were 11.9999%, 12.5000, and 12.7001% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 11.85%, 11.7497%, and 11.7418%, for 3Y, 5Y and 10Y tenors, respectively, while bids for 15Y and 20Y tenors were rejected.

GOP Ijarah Sukuk auction was held on 17-Mar-22, with a target of PKR 100bn (PKR 25bn Fixed Rental and PKR 75bn Variable Rental Rate) for a period of 5 years. Total participation of PKR 69.9bn and PKR 201.8bn was witnessed for the FRR and VRR Sukuk, respectively. The Ministry of Finance accepted bids worth PKR 25.02bn (at 11.3403%) in FRR Sukuk, and PKR 208.59bn (at 8.70%) in VRR Sukuk.

The central bank has provided forward guidance, whereby it has stated that current real interest rates on a forward-looking basis are appropriate to guide inflation to SBP's medium-term target range of 5-7%. Accordingly, any future data outturns may require only a modest change in the Policy Rate, if any. However, we believe that given the current geopolitical scenario and inflationary concerns on the back of elevated international commodity prices, further monetary tightening cannot be ruled out in order to cushion the impact on CAD and local currency.

## Future Outlook

Moving ahead, we believe that GDP growth is likely to remain encouraging on account of pick-up in economic activities. However, CAD for FY22 is expected to remain elevated in the range of 4.5-5.0% of GDP, owing to increase in trade deficit due to strong rebound in domestic demand, higher international commodity prices, and resumption of international travel.

On the fiscal side, FBR's Tax Revenue for FY22 is projected to grow by 28% to PKR 6.1tn, while Non-Tax Revenue is projected to grow by 18% to PKR 1.8tn. We expect fiscal deficit to be in the range of 6.0-6.5% of GDP, which we believe should be manageable. Focus would remain on how the Government strikes a balance between achieving the desired economic growth rate, while keeping the external and fiscal accounts in check.

On the fixed income front, we expect average inflation for FY22 to be in the range of 10.75%-11.25%. Accordingly, further monetary tightening during FY22 cannot be ruled out. However, inflation is expected to taper down from FY23 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimate remain in the form of elevated international commodity prices for an extended period. On the Islamic front, we expect Government to issue GoP Ijara Sukuk and other GOP Guaranteed Sukuk in FY22 to bridge the fiscal gap.

Our long-term view on Pakistan equities is positive due to cheap valuations. The equity market is trading at an eye catching P/E multiple of 4.6x compared to regional average of 16.9x, and offers an attractive dividend yield of 9.1%, compared to regional average of 2.6%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is 9.8%, compared to 5-year historical average spread of 3.9%, which implies upside of ~38%. Hence, we believe that Pakistan equities offer a good opportunity for long-term investors.

## 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 and incurred a total income and net loss of Rs. 2.61 million and Rs. 2.65 million respectively during the period under review. The fund size increased from Rs. 665 million as on June 30, 2021 to Rs. 730 million as at March 31, 2022 thereby showing an increase of 10% during the period under review. Performance review for each sub Fund is given below:

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### **Equity Sub-Fund**

During the period under review, the Equity sub-fund incurred a total and net loss of Rs. 31.61 million and Rs. 32.66 million respectively. The net assets of the Equity sub-fund was Rs. 197 million representing Net Asset Value (NAV) of Rs. 368.9509 per unit as at March 31, 2022. The Sub Fund earned a negative return of 14.86% for the period under review.

### **Debt Sub-Fund**

During the period under review, the Debt sub-fund earned a total income of Rs. 13.68 million and Rs. 12.36 million respectively. The net assets of the Debt sub-fund was Rs. 231 million representing Net Asset Value (NAV) of Rs. 228.9955 per unit as at March 31, 2022. The Fund yielded annualized return of 8.29% 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. 20.54 million and Rs. 17.65 million respectively. The net assets of the Money Market sub-fund was Rs. 302 million representing Net Asset Value (NAV) of Rs. 198.7790 per unit as at March 31, 2022. An annualized return of 8.44% 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 incurred a total and net loss of Rs. 13.18 million and Rs. 15.78 million respectively during the period under review. The fund size increased from Rs. 347 million as at June 30, 2021 to Rs. 352 million as at March 31, 2022 showing an increase of 1%. Performance review for each sub Fund is given below:

### **Equity Sub-Fund**

During the period under review, the Equity sub-fund incurred a total and net loss of Rs. 23.98 million and Rs. 24.95 million respectively. The net assets of the Equity sub-fund was Rs. 161 million representing Net Asset Value (NAV) of Rs. 407.5936 per unit as at March 31, 2022. The Fund yielded a negative return of 12.45% for the period under review.

### **Debt Sub-Fund**

During the period under review, the Debt sub-fund earned total and net income of Rs. 6.23 million and Rs. 5.30 million respectively. The net assets of the Debt sub-fund was Rs. 104 million representing Net Asset Value (NAV) of Rs. 181.8658 per unit as at March 31, 2022. The Fund yielded annualized return of 7.52% 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. 4.57 million Rs. 3.87 million respectively. The net assets of the Money Market sub-fund was Rs. 87 million representing Net Asset Value (NAV) of Rs. 177.0057 per unit as at March 31, 2022. An annualized return of 7.35% was earned by the Fund for the period under review.

### **MANAGEMENT COMPANY RATING**

The VIS Credit Rating Company Limited (VIS) has maintained the management quality rating of 'AM2++' (AM Two Plus Plus) to the Management Company and the outlook on the assigned rating has been revised from 'Stable' to 'Positive'.

### **Acknowledgement**

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

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# **HBL**

## **Pension Fund**

## FUND INFORMATION

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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**  
*As at March 31, 2022*

Note	March 31, 2022 (Un-Audited)				June 30, 2021 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- (Rupees in '000) -----									
<b>Assets</b>									
Bank balances	6	3,527	162,163	267,128	432,818	11,229	75,173	105,269	191,671
Investments	7	187,057	65,671	30,955	283,683	208,734	117,488	157,867	484,089
Dividend and profit receivable	8	2,789	3,743	4,878	11,410	403	1,990	326	2,719
Advances, deposits, prepayments and other receivables	9	5,406	468	174	6,048	2,631	205	179	3,015
<b>Total assets</b>		<b>198,779</b>	<b>232,045</b>	<b>303,135</b>	<b>733,959</b>	<b>222,997</b>	<b>194,856</b>	<b>263,641</b>	<b>681,494</b>
<b>Liabilities</b>									
Payable to Pension Fund Manager	10	529	158	140	827	304	283	365	952
Payable to Trustee	11	31	35	45	111	32	27	35	94
Payable to Securities and Exchange Commission of Pakistan	12	38	38	54	130	54	49	46	149
Accrued expenses and other liabilities	13	872	1,044	1,008	2,924	9,977	2,940	2,727	15,644
<b>Total liabilities</b>		<b>1,470</b>	<b>1,275</b>	<b>1,247</b>	<b>3,992</b>	<b>10,367</b>	<b>3,299</b>	<b>3,173</b>	<b>16,839</b>
<b>Net assets</b>		<b>197,309</b>	<b>230,770</b>	<b>301,888</b>	<b>729,967</b>	<b>212,630</b>	<b>191,557</b>	<b>260,469</b>	<b>664,656</b>
<b>Participants' sub funds (as per statement attached)</b>		<b>197,309</b>	<b>230,770</b>	<b>301,888</b>	<b>729,967</b>	<b>212,630</b>	<b>191,557</b>	<b>260,469</b>	<b>664,656</b>
<b>Number of units in issue</b>	14	<b>534,784</b>	<b>1,007,748</b>	<b>1,518,718</b>	<b>3,061,250</b>	<b>490,664</b>	<b>888,556</b>	<b>1,393,395</b>	
----- (Rupees) -----									
<b>Net assets value per unit</b>		<b>368.9509</b>	<b>228.9955</b>	<b>198.7790</b>		<b>433.3512</b>	<b>215.5798</b>	<b>186.9322</b>	

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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, 2022

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)								
<b>Income</b>								
Dividend income	8,058	-	-	8,058	6,517	-	-	6,517
Profit on bank deposits calculated using the effective interest method	151	7,937	15,984	24,072	440	1,491	2,346	4,277
Mark-up / return on investments calculated using the effective interest method	-	6,543	4,441	10,984	-	10,838	6,699	17,537
Realized (loss) / gain on sale of investments	(12,663)	302	139	(12,222)	24,472	3,740	(49)	28,163
Unrealized (loss) / gain on revaluation of investments at fair value through profit or loss	(27,162)	(1,102)	(18)	(28,282)	23,443	(9,074)	8	14,377
	<b>(31,616)</b>	<b>13,680</b>	<b>20,546</b>	<b>2,610</b>	<b>54,872</b>	<b>6,995</b>	<b>9,004</b>	<b>70,871</b>
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	<b>(31,616)</b>	<b>13,680</b>	<b>20,546</b>	<b>2,610</b>	<b>54,872</b>	<b>6,995</b>	<b>9,004</b>	<b>70,871</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	2,921	2,355	3,221	8,497	2,816	2,486	2,128	7,430
Remuneration of Central Depository Company of Pakistan Limited - Trustee	257	260	364	881	282	249	213	744
Annual fee to Securities and Exchange Commission of Pakistan	38	38	54	130	42	37	31	110
Auditors' remuneration	72	87	79	238	109	104	81	294
Settlement and bank charges	36	45	27	108	44	13	13	70
Other expenses	758	37	71	866	912	4	2	918
	<b>4,082</b>	<b>2,822</b>	<b>3,816</b>	<b>10,720</b>	<b>4,205</b>	<b>2,893</b>	<b>2,468</b>	<b>9,566</b>
	<b>(35,698)</b>	<b>10,858</b>	<b>16,730</b>	<b>(8,110)</b>	<b>50,667</b>	<b>4,102</b>	<b>6,536</b>	<b>61,305</b>
Provision for Sindh Workers' Welfare Fund (SWWF)	3,040	1,501	923	5,464	(993)	(80)	(128)	(1,201)
<b>Net (loss) / income before taxation</b>	<b>(32,658)</b>	<b>12,359</b>	<b>17,653</b>	<b>(2,646)</b>	<b>49,674</b>	<b>4,022</b>	<b>6,408</b>	<b>60,104</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the period</b>	<b>(32,658)</b>	<b>12,359</b>	<b>17,653</b>	<b>(2,646)</b>	<b>49,674</b>	<b>4,022</b>	<b>6,408</b>	<b>60,104</b>
<b>Other comprehensive income</b>								
<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	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(32,658)</b>	<b>12,359</b>	<b>17,653</b>	<b>(2,646)</b>	<b>49,674</b>	<b>4,022</b>	<b>6,408</b>	<b>60,104</b>

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Pension Fund

## Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)

For the Quarter ended March 31, 2022

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
<b>Income</b>								
Dividend income	3,693	-	-	3,693	2,876	-	-	2,876
Profit on bank deposits calculated using the effective interest method	11,193	8,625	15,914	35,732	(17,881)	(2,696)	2,388	(18,189)
Mark-up / return on investments calculated using the effective interest method	(145)	2,809	(4,368)	(1,704)	(334)	9,967	5,489	15,122
Realized (loss) / gain on sale of investments	(12,663)	(4,507)	(3,401)	(20,571)	24,472	(3,824)	(4,414)	16,234
Unrealized gain / (loss) on revaluation of investments at fair value through profit or loss	(6,619)	(760)	2	(7,377)	(3,887)	(223)	1	(4,109)
	(4,541)	6,167	8,147	9,773	5,246	3,224	3,464	11,934
Impairment loss on investments classified as 'available for sale'	(1,744)	(1,685)	(2,394)	(5,823)	-	(1,641)	(1,330)	(2,971)
	(6,285)	4,482	5,753	3,950	5,246	1,583	2,134	8,963
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	2,500	2,317	3,197	8,014	864	2,476	2,120	5,460
Remuneration of Central Depository Company of Pakistan Limited - Trustee	16	232	326	574	86	246	209	541
Annual fee to Securities and Exchange Commission of Pakistan	(2,628)	(1,966)	(2,731)	(7,325)	13	(1,867)	(1,507)	(3,361)
Auditors' remuneration	72	87	79	238	34	104	81	219
Settlement and bank charges	29,776	(5,464)	(9,587)	14,725	(548)	(1,854)	(3,989)	(6,391)
Other expenses	758	37	71	866	868	4	2	874
	30,494	(4,757)	(8,645)	17,092	1,317	(891)	(3,084)	(2,658)
	(36,779)	9,239	14,398	(13,142)	3,929	2,474	5,218	11,621
Provision for Sindh Workers' Welfare Fund (SWWF)	3,040	1,501	923	5,464	(77)	(80)	(128)	(285)
<b>Net (loss) / income before taxation</b>	<b>(33,739)</b>	<b>10,740</b>	<b>15,321</b>	<b>(7,678)</b>	<b>3,852</b>	<b>2,394</b>	<b>5,090</b>	<b>11,336</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the period</b>	<b>(33,739)</b>	<b>10,740</b>	<b>15,321</b>	<b>(7,678)</b>	<b>3,852</b>	<b>2,394</b>	<b>5,090</b>	<b>11,336</b>
<b>Other comprehensive income</b>								
<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	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(33,739)</b>	<b>10,740</b>	<b>15,321</b>	<b>(7,678)</b>	<b>3,852</b>	<b>2,394</b>	<b>5,090</b>	<b>11,336</b>

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Pension Fund**  
**Condensed Interim Statement of Movement in Participants' Funds (Un-Audited)**  
*For the Nine months period ended March 31, 2022*

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
<b>Net assets at beginning of the period</b>	212,630	191,557	260,469	664,656	198,309	209,250	138,146	545,705
Issuance of units	14 30,449	66,182	75,230	171,861	50,732	76,234	119,243	246,209
Redemption of units	(21,138)	(34,000)	(48,766)	(103,904)	(95,431)	(83,644)	(66,294)	(245,369)
Reallocation among funds	8,026	(5,328)	(2,698)	-				-
<b>Other comprehensive income</b>								
Net (loss) / income for the period	(32,658)	12,359	17,653	(2,646)	49,674	4,022	6,408	60,104
Net unrealised (loss) / gain on remeasurement of investments classified as available for sale			-	-			-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(32,658)</b>	<b>12,359</b>	<b>17,653</b>	<b>(2,646)</b>	<b>49,674</b>	<b>4,022</b>	<b>6,408</b>	<b>60,104</b>
<b>Net assets at end of the period</b>	<b>197,309</b>	<b>230,770</b>	<b>301,888</b>	<b>729,967</b>	<b>203,284</b>	<b>205,862</b>	<b>197,503</b>	<b>606,649</b>
Net assets value per unit at beginning of the period	433.3512	215.5798	186.9322		324.3643	205.9216	177.6024	
Net assets value per unit at end of the period	368.9509	228.9955	198.779		408.8111	210.1104	184.448	

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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, 2022*

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Net (loss) / income for the period	(32,658)	12,359	17,653	(2,646)	49,674	4,022	6,408	60,104
<b>Adjustments</b>								
Unrealized diminution / (appreciation) in the market value of investments classified as fair value through profit or loss	27,162	1,102	18	28,282	(23,443)	9,074	(8)	(14,377)
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	(5,496)	13,461	17,671	25,636	26,231	13,096	6,400	45,727
<b>(Increase) / decrease in assets</b>								
Investments - net	(5,485)	50,715	126,895	172,125	30,678	52,618	(7,995)	75,301
Dividend and profit receivable	(2,386)	(1,753)	(4,552)	(8,691)	(1,742)	2,135	(689)	(296)
Advances, deposits, prepayments and other receivables	(2,775)	(263)	5	(3,033)	(4,745)	1	2	(4,742)
	(10,646)	48,699	122,348	160,401	24,191	54,754	(8,682)	70,263
<b>Increase / (decrease) in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	225	(125)	(225)	(125)	-	(52)	72	20
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	8	10	17	3	1	10	14
Payable to Securities and Exchange Commission of Pakistan	(16)	(11)	8	(19)	(17)	(13)	(5)	(35)
Accrued expenses and other liabilities	(9,105)	(1,896)	(1,719)	(12,720)	(527)	93	161	(273)
	(8,897)	(2,024)	(1,926)	(12,847)	(541)	29	238	(274)
<b>Net cash (used in) / generated from operating activities</b>	<b>(25,039)</b>	<b>60,136</b>	<b>138,093</b>	<b>173,190</b>	<b>49,881</b>	<b>67,879</b>	<b>(2,044)</b>	<b>115,716</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
Amount received on issue of units	30,449	66,182	75,230	171,861	50,732	76,234	119,243	246,209
Amount paid on redemption of units	(21,138)	(34,000)	(48,766)	(103,904)	(95,431)	(83,644)	(66,294)	(245,369)
Reallocation among funds	8,026	(5,328)	(2,698)	-	-	-	-	-
<b>Net cash (used in) / generated from financing activities</b>	<b>17,337</b>	<b>26,854</b>	<b>23,766</b>	<b>67,957</b>	<b>(44,699)</b>	<b>(7,410)</b>	<b>52,949</b>	<b>840</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>								
Cash and cash equivalents at beginning of the period	11,229	75,173	105,269	191,671	8,088	19,604	55,999	83,691
<b>Cash and cash equivalents at end of the period</b>	<b>3,527</b>	<b>162,163</b>	<b>267,128</b>	<b>432,818</b>	<b>13,270</b>	<b>80,073</b>	<b>106,904</b>	<b>200,247</b>

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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, 2022*

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### 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.

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## **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, 2021.

## **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, 2021.

## **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, 2021.

6. BANK BALANCES	Note	(Un-audited) March 31, 2022				Audited June 30, 2021			
		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	3,527	162,163	267,128	432,818	11,229	75,173	105,269	191,671
		<u>3,527</u>	<u>162,163</u>	<u>267,128</u>	<u>432,818</u>	<u>11,229</u>	<u>75,173</u>	<u>105,269</u>	191,671

6.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 8.25% to 13.4% per annum (year ended June, 2021: 7% to 13.4% per annum).

## 7. INVESTMENTS

	Note	(Un-audited) March 31, 2022				Audited June 30, 2021			
		Equity sub fund	Debt sub fund	Money market sub-fund	Total	Equity sub fund	Debt sub fund	Money market sub-fund	Total
----- (Rupees in '000) -----									
<b>Financial assets at fair value through profit and loss</b>									
Listed equity securities	7.1	187,057	-	-	187,057	208,734	-	-	208,734
Government securities									
Market treasury bills	7.2	-	-	-	-	-	29,801	148,944	178,745
Pakistan investment bonds		-	-	-	-	-	46,758	-	46,758
Term finance certificate and sukuk bonds	7.3	-	58,700	25,000	83,700	-	32,997	-	32,997
Commercial Papers	7.4	-	6,971	5,955	12,926	-	7,932	8,923	16,855
		<u>187,057</u>	<u>65,671</u>	<u>30,955</u>	<u>283,683</u>	<u>208,734</u>	<u>117,488</u>	<u>157,867</u>	<u>484,089</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, 2021	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, 2022	Market value as at March 31, 2022	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 '000) -----		----- (%) -----		
<b>CHEMICALS</b>										
Nimir Resins Limited	50,000	60,000	-	-	18,500	91,500	1,564	0.79%	0.84%	0.13%
Engro Polymer & Chemicals Ltd	-	53,000	-	-	53,000	-	-	0.00%	0.00%	0.00%
Descon Oxychem Limited	-	137,000	-	-	137,000	-	-	0.00%	0.00%	0.00%
	<u>50,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>208,500</u>	<u>91,500</u>	<u>1,564</u>	<u>0.79%</u>	<u>0.84%</u>	<u>0.13%</u>
<b>REFINERY</b>										
National Refinery Ltd *	11,100	500	-	-	4,150	7,450	1,545	0.78%	0.83%	0.01%
Attock Refinery Limited	7,000	3,500	-	-	-	10,500	1,351	0.68%	0.72%	0.01%
	<u>18,100</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>4,150</u>	<u>17,950</u>	<u>2,896</u>	<u>1.46%</u>	<u>0.72%</u>	<u>0.01%</u>
<b>CEMENT</b>										
Cherat Cement Company Limited	6,000	-	-	-	6,000	-	-	0.00%	0.00%	0.00%
D.G.Khan Cement Company Limited	27,100	-	-	-	27,100	-	-	0.00%	0.00%	0.00%
Kohat Cement Limited	8,700	6,300	-	-	6,500	8,500	1,461	0.74%	0.78%	0.00%
Lucky Cement Limited *	20,050	7,910	-	-	3,400	24,560	15,629	7.92%	8.36%	0.01%
Fauji Cement Company	-	40,000	-	-	40,000	-	-	0.00%	0.00%	-
Attock Cement Pakistan Limited	29,500	21,500	-	-	-	51,000	6,453	3.27%	3.45%	0.04%
Fauji Cement Company	-	40,000	-	-	40,000	-	-	0.00%	0.00%	0.00%
Poineer cement limited	32,500	2,500	-	-	35,000	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	85,500	151,500	-	-	199,000	38,000	1,370	0.69%	0.73%	0.00%
	<u>209,350</u>	<u>269,710</u>	<u>-</u>	<u>-</u>	<u>357,000</u>	<u>122,060</u>	<u>24,913</u>	<u>12.62%</u>	<u>13.32%</u>	<u>0.05%</u>
<b>TEXTILE COMPOSITE</b>										
Gul Ahmed Textile Mills Limited	55,800	65,000	-	-	18,000	102,800	4,878	2.47%	2.61%	0.02%
Kohinoor Textile Mills Limited	40,500	-	-	-	13,000	27,500	1,712	0.87%	0.92%	0.01%
Nishat (Chunian) Limited.	60,500	-	-	-	60,500	-	-	0.00%	0.00%	0.00%
Interloop Limited	36,988	-	1,143	-	10,034	28,097	2,076	1.05%	1.11%	0.00%
Nishat Mills Limited *	26,000	-	-	-	5,000	21,000	1,799	0.91%	0.96%	0.01%
	<u>219,788</u>	<u>65,000</u>	<u>1,143</u>	<u>-</u>	<u>106,534</u>	<u>179,397</u>	<u>10,465</u>	<u>5.30%</u>	<u>5.60%</u>	<u>0.05%</u>



Name of the investee company	As at July 1, 2021	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, 2022	Market value as at March 31, 2022	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)	(%)		
<b>FERTILIZERS</b>										
Engro Fertilizers Limited	-	50,000	-	-	50,000	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim	-	50,000	-	-	50,000	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited	24,402	46,100	-	-	24,402	46,100	12,336	6.25%	6.59%	0.01%
Fauji Fertilizer Company Limited	-	2,250	-	-	2,250	-	-	0.00%	0.00%	0.00%
	<b>24,402</b>	<b>148,350</b>	<b>-</b>	<b>-</b>	<b>126,652</b>	<b>46,100</b>	<b>12,336</b>	<b>6.25%</b>	<b>6.59%</b>	<b>0.01%</b>
<b>GLASS &amp; CERAMICS</b>										
Shabbir tiles and ceramics Limited	-	29,000	-	-	29,000	-	-	0.00%	0.00%	0.00%
	<b>-</b>	<b>29,000</b>	<b>-</b>	<b>-</b>	<b>29,000</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>PHARMACEUTICALS</b>										
Abbott Laboratories (Pakistan) Limited	-	3,000	-	-	3,000	-	-	0.00%	0.00%	0.00%
Ferozsons Laboratories Limited	-	6,000	-	-	4,500	1,500	491	0.25%	0.26%	0.00%
Highnoon Laboratories Limited	45	6,000	-	-	2,000	4,045	2,546	1.29%	1.36%	0.01%
The Searle Company Limited	414	15,000	161	-	37	15,538	1,927	0.98%	1.03%	0.00%
	<b>459</b>	<b>30,000</b>	<b>161</b>	<b>-</b>	<b>9,537</b>	<b>21,083</b>	<b>4,964</b>	<b>2.52%</b>	<b>2.65%</b>	<b>0.01%</b>
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	3,220	980	-	-	1,640	2,560	4,530	2.30%	2.42%	0.00%
Oil and Gas Development Company Limited *	121,200	76,500	-	-	91,100	106,600	8,862	4.49%	4.74%	0.00%
Pakistan Oilfields Limited	10,550	2,500	-	-	2,200	10,850	4,044	2.05%	2.16%	0.00%
Pakistan Petroleum Limited	111,791	114,400	-	-	130,891	95,300	6,938	3.52%	3.71%	0.00%
	<b>246,761</b>	<b>194,380</b>	<b>-</b>	<b>-</b>	<b>225,831</b>	<b>215,310</b>	<b>24,374</b>	<b>12.36%</b>	<b>13.03%</b>	<b>0.00%</b>
<b>OIL &amp; GAS MARKETING COMPANIES</b>										
Pakistan State Oil Company Limited *	36,977	12,400	-	-	-	49,377	8,230	4.17%	4.40%	0.01%
Sui Northern Gas Pipelines Limited	-	26,500	-	-	-	26,500	842	0.43%	0.45%	0.00%
	<b>36,977</b>	<b>38,900</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,877</b>	<b>9,072</b>	<b>4.60%</b>	<b>4.85%</b>	<b>0.01%</b>
<b>AUTOMOBILE ASSEMBLER</b>										
Pak Suzuki Motor Company Limited	6,500	-	-	-	6,500	-	-	0.00%	0.00%	0.00%
Ghandara Industries Limited	-	2,500	-	-	-	2,500	414	0.21%	0.22%	0.01%
Millat Tractors Limited	3,812	-	915	-	4,727	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	10,500	-	-	-	10,500	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	1,380	-	-	-	1,380	-	-	0.00%	0.00%	0.00%
	<b>22,192</b>	<b>2,500</b>	<b>915</b>	<b>-</b>	<b>23,107</b>	<b>2,500</b>	<b>414</b>	<b>0.21%</b>	<b>0.22%</b>	<b>0.01%</b>
<b>INSURANCE</b>										
IGI Life Insurance Limited	32,000	2,500	-	-	-	34,500	1,100	0.56%	0.59%	0.02%
IGI Holdings Limited	24,500	12,300	-	-	500	36,300	4,988	2.53%	2.67%	0.03%
	<b>56,500</b>	<b>14,800</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>70,800</b>	<b>6,088</b>	<b>3.09%</b>	<b>3.26%</b>	<b>0.05%</b>
<b>FOOD AND PERSONAL CARE PRODUCTS</b>										
The Organic Meat Limited	185,515	5,000	14,282	-	66,981	137,816	3,897	1.98%	2.08%	0.11%
Unity Foods Limited	149,500	97,346	-	-	66,346	180,500	4,735	2.40%	2.53%	0.02%
Unity Foods Limited (R3)	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
Al Shaheer Corporation Limited	-	100,000	-	-	100,000	-	-	0.00%	0.00%	0.00%
	<b>335,015</b>	<b>202,346</b>	<b>14,282</b>	<b>-</b>	<b>233,327</b>	<b>318,316</b>	<b>8,632</b>	<b>4.38%</b>	<b>4.61%</b>	<b>0.00%</b>
<b>ENGINEERING</b>										
International Industries Limited	13,700	-	-	-	13,700	-	-	0.00%	0.00%	0.00%
International Steels Limited	20,000	-	-	-	20,000	-	-	0.00%	0.00%	0.00%
Aisha Steel Mills Limited	78,000	-	-	-	78,000	-	-	0.00%	0.00%	0.00%
Amreli Steel Mills Limited *	-	89,000	-	-	89,000	-	-	0.00%	0.00%	0.00%
Agha Steels Industries Limited	93,000	17,000	4,883	-	47,233	67,650	1,362	0.69%	0.73%	0.01%
Mughal Iron and Steel Industries Limited *	30,995	23,500	7,072	-	5,623	55,944	5,102	2.59%	2.73%	0.02%
	<b>235,695</b>	<b>129,500</b>	<b>11,955</b>	<b>-</b>	<b>253,556</b>	<b>123,594</b>	<b>6,464</b>	<b>3.28%</b>	<b>3.46%</b>	<b>0.03%</b>
<b>TECHNOLOGY AND COMMUNICATION</b>										
Systems Limited	-	19,450	-	-	4,950	14,500	5,494	2.78%	2.94%	0.01%
Avanceon Limited	27,000	13,000	-	-	25,500	14,500	1,283	0.65%	0.69%	0.01%
TPL Trakker Limited	255,500	106,000	-	-	-	361,500	5,332	2.70%	2.85%	0.19%
Hum Network Ltd	-	30,000	-	-	30,000	-	-	0.00%	0.00%	0.00%
Air Link Communication	-	69,938	2,252	-	72,190	-	-	0.00%	0.00%	0.00%
TRG Pak Limited	26,000	27,500	-	-	53,500	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited	-	7,000	-	-	7,000	-	-	0.00%	0.00%	0.00%
Netsol Tech	18,000	-	-	-	8,300	9,700	832	0.42%	0.44%	0.01%
	<b>326,500</b>	<b>272,888</b>	<b>2,252</b>	<b>-</b>	<b>201,440</b>	<b>400,200</b>	<b>12,941</b>	<b>6.55%</b>	<b>6.92%</b>	<b>0.22%</b>
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>										
General Tyre and Rubber Co. of Pakistan Limited	45,000	25,000	-	-	28,000	42,000	1,807	0.92%	0.97%	0.03%
	<b>45,000</b>	<b>25,000</b>	<b>-</b>	<b>-</b>	<b>28,000</b>	<b>42,000</b>	<b>1,807</b>	<b>0.92%</b>	<b>0.97%</b>	<b>0.03%</b>
<b>POWER GENERATION AND DISTRIBUTION</b>										
Hub Power Company Limited	78,340	55,000	-	-	34,200	99,140	7,096	3.61%	3.69%	0.01%
	<b>78,340</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>34,200</b>	<b>99,140</b>	<b>7,096</b>	<b>3.61%</b>	<b>3.69%</b>	<b>0.01%</b>

Name of the investee company	As at July 1, 2021	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, 2022	Market value as at March 31, 2022	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 '000)	(%)		
<b>COMMERCIAL BANKS</b>										
Allied Bank Limited	-	25,000	-	-	25,000	-	-	0.00%	0.00%	0.00%
Bank Al-Falah Limited *	-	149,700	-	-	86,254	63,446	2,152	1.09%	1.15%	0.00%
Bank Al-Habib Limited	-	58,000	-	-	6,500	51,500	3,499	1.77%	1.87%	0.00%
Habib Bank Limited *	-	159,274	-	-	21,500	137,774	15,556	7.88%	8.32%	0.01%
Faysal Bank Limited	840	205,000	-	-	8,000	197,840	5,207	2.64%	2.78%	0.01%
MCB Bank Limited	40,100	13,000	-	-	6,500	46,600	6,790	3.44%	3.63%	0.00%
Meezan Bank Limited	16,297	4,000	2,811	-	14,608	8,500	1,113	0.56%	0.60%	0.00%
Bank Islami Pakistan	-	147,000	-	-	147,000	-	-	0.00%	0.00%	0.00%
Standard Chartered Bank (Pakistan) Limited	185,000	25,000	-	-	-	210,000	7,293	3.70%	3.90%	0.01%
United Bank Limited *	102,258	18,783	-	-	37,300	83,741	11,421	5.79%	6.11%	0.01%
	<b>344,495</b>	<b>804,757</b>	<b>2,811</b>	<b>-</b>	<b>352,662</b>	<b>799,401</b>	<b>53,031</b>	<b>26.87%</b>	<b>28.36%</b>	<b>0.04%</b>
<b>CABLE AND ELECTRICAL GOODS</b>										
Waves Singer Pakistan Limited	79,000	63,000	-	-	142,000	-	-	0.00%	0.00%	0.00%
Pak Elektron Limited	57,500	18,500	-	33,840	109,840	-	-	0.00%	0.00%	0.00%
	<b>136,500</b>	<b>81,500</b>	<b>-</b>	<b>33,840</b>	<b>251,840</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>2,386,074</b>	<b>2,617,631</b>	<b>33,519</b>	<b>33,840</b>	<b>2,445,836</b>	<b>2,625,228</b>	<b>187,057</b>	<b>94.81%</b>	<b>99.09%</b>	<b>0.66%</b>

7.1.2 \*The above investments include shares with market value aggregating to Rs. 30.594 million (June 2021: Rs. 10.2 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.

7.1.2 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 the 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 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.0.246 million (June 2021: 0.188 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 Investment in Government Securities - at fair value through profit or loss

### Held by Debt Sub-Fund

Issue date	Face value			As at March 31, 2022	Amortised Cost as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of	
	As at July 1, 2021	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
	(Rupees in '000)						%	
<b>Market Treasury Bills</b>								
Treasury Bill - 6 months	March 25, 2021	30,300	-	30,300	-	-	-	-
Treasury Bill - 3 months	August 12, 2021	-	100,000	100,000	-	-	-	-
Treasury Bill - 3 months	May 20, 2021	-	2,000	2,000	-	-	-	-
Treasury Bill - 6 months	May 20, 2021	-	79,000	79,000	-	-	-	-
Treasury Bill - 6 months	March 25, 2021	-	45,300	45,300	-	-	-	-
Treasury Bill - 3 months	August 26, 2021	-	80,000	80,000	-	-	-	-
		<b>30,300</b>	<b>306,300</b>	<b>336,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Pakistan Investment Bonds</b>								
Pakistan Investment Bonds 5	October 15, 2020	50,000	-	50,000	-	-	-	-
Pakistan Investment Bonds 3	August 20, 2020	-	50,000	50,000	-	-	-	-
Pakistan Investment Bonds 3	October 10, 2020	-	100,000	100,000	-	-	-	-
		<b>50,000</b>	<b>150,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Held by Money Market Sub-Fund

Issue date	Face value				Amortised Cost as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of	
	As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at March 31, 2022			Total investments of sub-fund	Net assets of sub- fund
----- (Rupees in '000) -----							----- % -----	
<b>Treasury bill</b>								
Treasury Bill - 3 months	May 20, 2021	42,000	-	42,000	-	-	-	-
Treasury Bill - 3 months	April 22, 2021	19,000	-	19,000	-	-	-	-
Treasury Bill - 6 months	April 22, 2021	70,000	-	70,000	-	-	-	-
Treasury Bill - 3 months	May 6, 2021	20,000	-	20,000	-	-	-	-
Treasury Bill - 6 months	August 12, 2021	-	51,000	51,000	-	-	-	-
Treasury Bill - 3 months	August 12, 2021	-	260,000	260,000	-	-	-	-
Treasury Bill - 3 months	May 20, 2021	-	9,000	9,000	-	-	-	-
Treasury Bill - 6 months	May 20, 2021	-	2,000	2,000	-	-	-	-
Treasury Bill - 6 months	March 25, 2021	-	115,000	115,000	-	-	-	-
Treasury Bill - 3 months	July 29, 2021	-	20,000	20,000	-	-	-	-
Treasury Bill - 6 months	June 3, 2021	-	230,000	230,000	-	-	-	-
Treasury Bill - 3 months	August 26, 2021	-	7,000	7,000	-	-	-	-
Treasury Bill - 6 months	August 26, 2021	-	125,000	125,000	-	-	-	-
		<b>151,000</b>	<b>819,000</b>	<b>970,000</b>				

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

#### Held by Debt Sub-Fund

Name of the Investee Company	As at July 1, 2021	Purchases during the period	Sales / Matured during the period	As at March 31, 2022	Amortised Cost as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of	
							Total Investments	Net Assets
----- (Number of certificates) -----							----- (Rupees in '000) -----	
----- % -----								
<b>Commercial Banks</b>								
Bank of Punjab *	60	-	-	60	5,930	6,251	9.52%	2.71%
Bank Alfalah *	2,400	-	-	2,400	12,000	11,310	17.22%	4.90%
	<b>2,460</b>	<b>-</b>	<b>-</b>	<b>2,460</b>	<b>17,930</b>	<b>17,561</b>	<b>26.74%</b>	<b>7.61%</b>
<b>Multitiilities</b>								
Water and Power Development Authority **	798	-	798	-	-	-	-	-
K-Electric Limited **	1,200	-	-	1,200	300	301	0.46%	0.13%
Hub Power Company Limited **	-	18	-	18	18,000	18,000	27.41%	7.80%
	<b>1,998</b>	<b>18</b>	<b>798</b>	<b>1,218</b>	<b>18,300</b>	<b>18,301</b>	<b>27.87%</b>	<b>7.93%</b>
<b>Miscellaneous</b>								
Pak Electron Limited **	-	12	-	12	12,000	11,977	18.24%	5.19%
OBS AGP **	-	20	-	20	2,000	2,007	3.06%	0.87%
International Brands Limited **	40	-	-	40	172	178	0.27%	0.08%
TPL Trakker Limited **	40	-	-	40	3,556	3,573	5.44%	1.55%
Jhangir Siddiqui and Company Limited **	2,000	-	-	2,000	5,000	5,103	7.77%	2.21%
	<b>2,080</b>	<b>32</b>	<b>-</b>	<b>2,112</b>	<b>22,728</b>	<b>22,838</b>	<b>34.78%</b>	<b>9.90%</b>
<b>Total</b>	<b>6,538</b>	<b>50</b>	<b>798</b>	<b>5,790</b>	<b>58,958</b>	<b>58,700</b>	<b>89.39%</b>	<b>25.44%</b>
<b>Held by Money Market Sub-Fund</b>								
<b>Multitiilities</b>								
Hub Power Company Limited **	-	25	-	25	25,000	25,000	80.76%	8.28%
	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>25,000</b>	<b>25,000</b>	<b>80.76%</b>	<b>8.28%</b>

\* Term Finance Certificates (TFC)

\*\* Sukuk Bonds

### 7.3.1 Significant terms and conditions of term finance certificates and sukuk bonds outstanding as at March 31, 2022 are as follows:

Name of security	Remaining principal (Rupees per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Bank of Punjab	99,860	6 Months KIBOR+1%	23-Dec-16	23-Dec-26
K-Electric Limited	500	3 Months KIBOR + 1%	17-Jun-15	17-Jun-22
Bank Alfalah Limited	5,000	6 Months KIBOR + 0.75%	15-Jan-21	15-Jan-24
OBS AGP Private Limited	100,000	3 Month KIBOR + 1%	15-Jul-21	15-Jul-26
Pak Electron Limited	1,000,000	3 Month KIBOR + 1%	15-Nov-21	15-Feb-23
International Brands Limited	16,783	12 Months KIBOR + 0.5%	15-Nov-17	19-Feb-22
Jhangir Siddiqui and Company Limited	3,333	6 Months KIBOR + 1.4%	6-Mar-18	6-Mar-23
Hub Power Company Limited	100,000	12 Months KIBOR + 1.9%	19-Mar-20	19-Mar-24
TPL Trakker Limited	1,000,000	3 Months KIBOR + 3%	30-Mar-21	30-Mar-26

7.4 Commercial papers - at fair value through profit or loss

7.4.1 Held by Debt Sub-Fund

Maturity Date	Face Value				Market value as at March 31, 2022	Percentage of total value of investments of sub-fund (%)	Percentage of Net Assets of sub-fund
	As at July 1, 2021	Placement made during the period	Matured / Sold during the period	As at March 31, 2022			
	Rupees in '000						
K-Electric Limited	8,000	-	8,000	-	-	-	-
K-Electric Limited	-	7,000	7,000	-	-	-	-
K-Electric Limited	-	5,000	5,000	-	-	-	-
K-Electric Limited	-	4,000	-	4,000	3,996	6.08%	1.73%
K-Electric Limited	-	3,000	-	3,000	2,975	4.53%	1.29%
	<b>8,000</b>	<b>19,000</b>	<b>20,000</b>	<b>7,000</b>	<b>6,971</b>	<b>10.61%</b>	<b>3.02%</b>

7.4.2 Held by Money Market Sub-Fund

Maturity Date	Face Value				Market value as at March 31, 2022	Percentage of total value of investments of sub-fund (%)	Percentage of Net Assets of sub-fund
	As at July 1, 2021	Placement made during the period	Matured / Sold during the period	As at March 31, 2022			
	Rupees in '000						
K-Electric Limited	9,000	-	9,000	-	-	-	-
K-Electric Limited	-	11,000	11,000	-	-	-	-
K-Electric Limited	-	6,000	-	6,000	5,955	19.24%	1.97%
K-Electric Limited	-	11,000	11,000	-	-	-	-
	<b>9,000</b>	<b>28,000</b>	<b>31,000</b>	<b>6,000</b>	<b>5,955</b>	<b>19.24%</b>	<b>1.97%</b>

8. DIVIDEND AND PROFIT RECEIVABLE

	March 31, 2022				June 30, 2021			
	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	2,774	-	-	2,774	384	-	-	384
Profit receivable on bank deposits	15	1,899	3,904	5,818	19	237	326	582
Profit accrued on term finance certificates and sukuk bonds	-	1,844	974	2,818	-	717	-	717
Profit accrued on government securities	-	-	-	-	-	1,036	-	1,036
	<b>2,789</b>	<b>3,743</b>	<b>4,878</b>	<b>11,410</b>	<b>403</b>	<b>1,990</b>	<b>326</b>	<b>2,719</b>

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	March 31, 2022				June 30, 2021			
	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	2,600	-	-	2,600	2,500	-	-	2,500
- Receivable against Sale of Equity Securities	2,687	-	-	2,687	-	-	-	-
- Others	19	368	74	460	31	105	79	215
	<b>5,406</b>	<b>468</b>	<b>174</b>	<b>6,048</b>	<b>2,631</b>	<b>205</b>	<b>179</b>	<b>3,015</b>

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

Note	March 31, 2022				June 30, 2021			
	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	468	140	124	732	238	249	160	647
Sindh Sales Tax	61	18	16	95	31	32	21	84
Sales load Payable	-	-	-	-	12	58	53	123
	<b>529</b>	<b>158</b>	<b>140</b>	<b>827</b>	<b>281</b>	<b>339</b>	<b>234</b>	<b>854</b>

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, 2022				June 30, 2021			
	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	30	40	97	25	26	17	68
Sindh Sales Tax on Trustee remuneration	4	5	5	14	3	3	2	8
	<b>31</b>	<b>35</b>	<b>45</b>	<b>111</b>	<b>28</b>	<b>29</b>	<b>19</b>	<b>76</b>

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, 2022				June 30, 2021			
	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	72	165	78	315	91	78	56	225
Payable against purchase of shares	-	-	-	-	1,526	-	-	1,526
Payable against redemption of units	-	-	-	-	-	-	-	-
Federal Excise Duty	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Welfare Fund	-	-	-	-	1,803	1,321	733	3,857
Other payable	37	1	94	132	27	28	18	73
	<b>872</b>	<b>1,044</b>	<b>1,008</b>	<b>2,924</b>	<b>4,210</b>	<b>2,305</b>	<b>1,643</b>	<b>8,158</b>

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, 2021: 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, 2022 would have been higher by Rs. 1.4267, Rs.0.8715 and Rs.0.5497 (June 30, 2021: 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, 2022				June 30, 2021			
	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	490,664	888,556	1,393,395	2,772,615	611,379	1,016,164	777,841	2,405,384
Units issued during the period	75,891	295,941	391,316	763,148	447,945	1,343,433	2,183,674	3,975,052
Units redeemed during the period	(53,439)	(153,319)	(252,314)	(459,072)	(556,333)	(1,479,625)	(1,584,751)	(3,620,709)
Reallocation during the period	21,668	(23,430)	(13,679)	(15,441)	(12,327)	8,584	16,631	12,888
<b>Total units in issue at the end of the period</b>	<b>534,784</b>	<b>1,007,748</b>	<b>1,518,718</b>	<b>3,061,250</b>	<b>490,664</b>	<b>888,556</b>	<b>1,393,395</b>	<b>2,772,615</b>

## 15. PROVISION FOR WORKERS' WELFARE FUND

The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, 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, and thus SWWF is payable by them.

During the current period, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to MUFAP has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

The Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 3.04 million, 1.501 million, 0.923 million of Pension Equity Sub Fund, Pension Debt Sub Fund & Pension Money Market Sub Fund respectively charged till June 30, 2021.

## 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, 2022				Nine Months ended March 31, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
<b>HBL Asset Management Limited - Pension Fund Manager</b>								
Management fee	2,921	2,355	3,221	8,497	2,816	2,486	2,128	7,430
<b>Habib Bank Limited - Sponsor</b>								
Bank charges paid	15	35	18	68	18	10	11	39
Profit on bank deposits earned	381	3,244	3,114	6,739	781	787	714	2,282
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
Reallocation of units	Number 1,354	(1,855)	(402)	(903)				-
Amount of units reallocated	501	(422)	(79)	-				-
Redemption of Units Issued	Number 49	227	673	949				-
Amount of units redeemed	19	51	130	200				-
<b>Executives and their relatives</b>								
Issuance of units	Number 12	-	-	12	335	3,771	-	4,106
Amount of units issued	5	-	-	5	120	781	-	901
Reallocation of units	Number 120	(194)	-	(74)	1,707	(2,739)	-	(1,032)
Amount of units reallocated	44	(44)	-	-	565	(565)	-	-
<b>Directors and Executives of the Habib Bank Limited (Sponsor) their relatives</b>								
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	257	260	364	881	282	249	213	744
Central Depository System charges	18	8	8	34	18	8	8	34
<b>Directors of Connected Persons</b>								
Units issued	Number -	-	-	-	-	15,555	17,721	33,276
Amount of units issued	-	-	-	-	-	3,244	3,244	6,488
Amount of units reallocated	-	-	-	-	-	-	-	-

16.2 Balances outstanding as at period end

<b>HBL Asset Management Limited - Pension Fund Manager</b>								
Management fee payable	468	140	124	732	263	234	305	802
Federal Excise Duty payable	763	878	836	2,477	763	878	836	2,477
Sindh Sales Tax payable	61	18	16	95	34	30	40	104
Sales load Payable	-	-	-	-	7	19	20	46
<b>Habib Bank Limited - Sponsor</b>								
Units held	Number 203,077	-	-	203,077	203,077	-	-	203,077
Amount of units held	74,925	-	-	74,925	88,003	-	-	88,003
Profit receivable on bank deposits	108	35	16	159	0	0	0	-
Bank balances	375	161,937	266,808	429,120	3,880	37,666	53,992	95,538
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
Units held	Number 15,555	51,596	19,944	87,095	13,796	51,540	14,684	80,020
Amount of units held	5,739	11,815	3,964	21,518	5,978	11,111	2,745	19,834
		March 31, 2022				June 30, 2021		
<b>Executives and their relatives</b>								
Units held	Number 2,097	2,226	-	4,323	1,954	2,421	-	4,375
Amount of units held	774	510	-	1,284	847	522	-	1,369
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration payable	31	35	45	111	32	27	35	94
Security Deposit receivable	100	100	100	300	100	100	100	300
<b>Directors of Connected Persons</b>								
Units held	Number -	-	-	-	818	828	83,369	85,015
Amount of units held	-	-	-	-	354	178	15,584	16,116

## 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, 2022								
		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)										
<b>On-balance sheet financial instruments</b>										
<b>Financial assets measured at fair value</b>										
	- Listed equity securities	187,057	-	-	-	187,057	187,057	-	-	187,057
		187,057	-	-	-	187,057				
<b>Financial assets not measured at fair value</b>										
18.1	- Bank balances	-	-	-	3,527	3,527				
	- Dividend receivable and accrued mark-up	-	-	-	2,789	2,789				
	- Advances, deposits, prepayments and other receivables	-	-	-	5,406	5,406				
		-	-	-	11,722	11,722				
		187,057	-	-	11,722	198,779				
<b>Financial liabilities not measured at fair value</b>										
18.1	- Payable to the Pension Fund Manager	-	-	-	529	529				
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	31	31				
	- Accrued expenses and other liabilities	-	-	-	109	109				
		-	-	-	669	669				
Held by Equity sub-fund										
June 30, 2021										
		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)										
<b>On-balance sheet financial instruments</b>										
<b>Financial assets measured at fair value</b>										
	- Listed equity securities	208,734	-	-	-	208,734	208,734	-	-	208,734
		208,734	-	-	-	208,734				
<b>Financial assets not measured at fair value</b>										
18.1	- Bank balances	-	-	11,229	-	11,229				
	- Dividend receivable and accrued mark-up	-	-	403	-	403				
	- Advances, deposits, prepayments and other receivables	-	-	2,631	-	2,631				
		-	-	14,263	-	14,263				
		208,734	-	14,263	-	222,997				
<b>Financial liabilities not measured at fair value</b>										
18.1	- Payable to the Pension Fund Manager	-	-	-	281	281				
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	28	28				
	- Accrued expenses and other liabilities	-	-	-	1,644	1,644				
		-	-	-	1,953	1,953				



On-balance sheet financial instruments		Held by Debt sub-fund							
		Carrying Amount					Fair Value		
		March 31, 2022					Level 1	Level 2	Level 3
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				
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
	- Government securities	-	-	-	-	-	-	-	-
	- Treasury Bills	-	-	-	-	-	-	-	-
	- Pakistan Investment Bonds	-	-	-	-	-	-	-	-
	- Term Finance Certificates and Sukuk Bonds - Unlisted	58,700	-	-	-	58,700	-	58,700	58,700
		58,700	-	-	-	58,700	-	-	-
<b>Financial assets not measured at fair value</b>									
18.1	- Bank balances	-	-	-	162,163	162,163	-	-	-
	- Dividend receivable and accrued mark-up	-	-	-	3,743	3,743	-	-	-
	- Advances, deposits, prepayments and other receivables	-	-	-	468	468	-	-	-
	- Commercial Papers	-	-	-	6,971	6,971	-	-	-
		-	-	-	173,345	173,345	-	-	-
		58,700	-	-	173,345	232,045	-	-	-
<b>Financial liabilities not measured at fair value</b>									
18.1	- Payable to the Pension Fund Manager	-	-	-	158	158	-	-	-
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	35	35	-	-	-
	- Accrued expenses and other liabilities	-	-	-	166	166	-	-	-
		-	-	-	359	359	-	-	-

On-balance sheet financial instruments		Held by Debt sub-fund							
		Carrying Amount					Fair Value		
		June 30, 2021					Level 1	Level 2	Level 3
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total				
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
	- Government securities	-	-	-	-	-	-	-	-
	- Treasury bills	29,801	-	-	-	29,801	-	29,801	29,801
	- Pakistan Investment Bonds	46,758	-	-	-	46,758	-	46,758	46,758
	- Term Finance Certificates and Sukuk Bonds - Unlisted	32,997	-	-	-	32,997	-	32,997	32,997
		109,556	-	-	-	109,556	-	-	-
<b>Financial assets not measured at fair value</b>									
18.1	- Bank balances	-	-	75,173	-	75,173	-	-	-
	- Dividend receivable and accrued mark-up	-	-	1,990	-	1,990	-	-	-
	- Advances, deposits, prepayments and other receivables	-	-	205	-	205	-	-	-
	- Commercial papers	-	-	7,932	-	7,932	-	-	-
		-	-	85,300	-	85,300	-	-	-
		109,556	-	85,300	-	194,856	-	-	-
<b>Financial liabilities not measured at fair value</b>									
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	-	-	-

On-balance sheet financial instruments		Held by Money Market sub-fund							
		Carrying Amount					Fair Value		
		March 31, 2022					Level 1	Level 2	Level 3
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				
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
	- Term finance certificate and sukuk bonds	25,000	-	-	-	25,000	-	25,000	25,000
		25,000	-	-	-	25,000	-	-	-
<b>Financial assets not measured at fair value</b>									
18.1	- Bank balances	-	-	-	267,128	267,128	-	-	-
	- Dividend receivable and accrued mark-up	-	-	-	4,878	4,878	-	-	-
	- Advances, deposits, prepayments and other receivables	-	-	-	173	173	-	-	-
	- Commercial Papers	-	-	-	5,955	5,955	-	-	-
		-	-	-	278,134	278,134	-	-	-
		25,000	-	-	278,134	303,134	-	-	-
<b>Financial liabilities not measured at fair value</b>									
18.1	- Payable to the Pension Fund Manager	-	-	-	140	140	-	-	-
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	45	45	-	-	-
	- Accrued expenses and other liabilities	-	-	-	172	172	-	-	-
		-	-	-	357	357	-	-	-

On-balance sheet financial instruments		Held by Money Market sub-fund							
		Carrying Amount					Fair Value		
		June 30, 2021					Level 1	Level 2	Level 3
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total				
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
	- Government securities	148,944	-	-	-	148,944	-	148,944	148,944
		148,944	-	-	-	148,944	-	-	-
<b>Financial assets not measured at fair value</b>									
18.1	- Bank balances	-	-	105,269	-	105,269	-	-	-
	- Dividend receivable and accrued mark-up	-	-	326	-	326	-	-	-
	- Commercial Paper	-	-	8,923	-	8,923	-	-	-
	- Advances, deposits, prepayments and other receivables	-	-	179	-	179	-	-	-
		-	-	105,774	-	114,697	-	-	-
		148,944	-	105,774	-	263,644	-	-	-
<b>Financial liabilities not measured at fair value</b>									
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	-	-	-

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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 26, 2022.

**19. TOTAL EXPENSE RATIO**

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the nine months period ended March 31, 2022 is 1.78%, 1.52% and 1.51% respectively which includes 0.18%, 0.18% and 0.19% respectively representing Government levy and SECP fee.

**20. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

20.1 In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended March 31, 2022 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations.

However, to reduce the impact on the economy and business. regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID- 19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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Chief Financial Officer

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Chief Executive Officer

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Director

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# **HBL**

## **Islamic Pension Fund**

## FUND INFORMATION

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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 Statement of Assets and Liabilities**  
*As at March 31, 2022*

Note	March 31, 2022 (Un-Audited)				June 30, 2021 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- (Rupees in '000) -----									
<b>Assets</b>									
Bank balances	6	2,802	76,709	77,632	157,143	10,208	39,787	50,267	100,262
Investments	7	154,442	26,285	9,001	189,728	188,120	47,124	14,628	249,872
Dividend and profit receivable	8	374	1,891	2,248	4,513	69	1,019	713	1,801
Advances, deposits, prepayments and other receivables	9	5,576	630	120	6,326	2,693	294	133	3,120
<b>Total assets</b>		<b>163,194</b>	<b>105,515</b>	<b>89,001</b>	<b>357,710</b>	<b>201,090</b>	<b>88,224</b>	<b>65,741</b>	<b>355,055</b>
<b>Liabilities</b>									
Payable to Pension Fund Manager	10	465	66	39	570	266	135	99	500
Payable to Central Depository Company of Pakistan Limited - Trustee	11	28	16	13	57	29	14	11	54
Payable to Securities and Exchange Commission of Pakistan	12	34	17	13	64	40	21	17	78
Accrued expenses and other liabilities	13	1,526	977	1,606	4,109	4,722	1,210	1,095	7,027
<b>Total liabilities</b>		<b>2,053</b>	<b>1,076</b>	<b>1,671</b>	<b>4,800</b>	<b>5,057</b>	<b>1,380</b>	<b>1,222</b>	<b>7,659</b>
<b>Net assets</b>		<b>161,141</b>	<b>104,439</b>	<b>87,330</b>	<b>352,910</b>	<b>196,033</b>	<b>86,844</b>	<b>64,519</b>	<b>347,396</b>
<b>Participants' sub funds (as per statement attached)</b>		<b>161,141</b>	<b>104,439</b>	<b>87,330</b>	<b>352,910</b>	<b>196,033</b>	<b>86,844</b>	<b>64,519</b>	<b>347,396</b>
<b>Number of units in issue</b>	14	<b>395,348</b>	<b>574,262</b>	<b>493,375</b>	<b>1,462,985</b>	<b>421,065</b>	<b>504,466</b>	<b>384,622</b>	<b>1,310,153</b>
----- (Rupees) -----									
<b>Net assets value per unit</b>		<b>407.5936</b>	<b>181.8658</b>	<b>177.0057</b>		<b>465.5652</b>	<b>172.1510</b>	<b>167.7456</b>	

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Islamic Pension Fund

## Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)

For the Nine months period ended March 31, 2022

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
<b>Income</b>								
Dividend income	5,795	-	-	5,795	3,998	-	-	3,998
Profit on bank deposits calculated using the effective interest method	97	2,997	3,451	6,545	213	1,938	2,258	4,409
Mark-up / return on investments calculated using the effective interest method	-	2,736	948	3,684	-	2,061	788	2,849
Realized gain/(loss) on sale of investments	(9,624)	475	168	(8,981)	15,360	3	(84)	15,279
Unrealized (diminution)/appreciation on re-measurement of investments at fair value through profit or loss	(20,245)	18	-	(20,227)	23,288	109	(12)	23,385
	(23,977)	6,226	4,567	(13,184)	42,859	4,111	2,950	49,920
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	(23,977)	6,226	4,567	(13,184)	42,859	4,111	2,950	49,920
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	2,659	1,047	777	4,483	1,990	1,009	810	3,809
Remuneration of Central Depository Company of Pakistan Limited - Trustee	200	115	89	404	200	101	81	382
Annual fee to Securities and Exchange Commission of Pakistan	34	17	13	64	29	15	12	56
Auditors' remuneration	100	73	57	230	89	86	66	241
Settlement and bank charges	224	22	12	258	34	20	25	79
Other expenses	834	36	30	900	783	-	-	783
	4,051	1,310	978	6,339	3,125	1,231	994	5,350
	(28,028)	4,916	3,589	(19,523)	39,734	2,880	1,956	44,570
Provision for Sindh Workers' Welfare Fund (SWWF)	3,077	381	282	3,740	(781)	(56)	(38)	(875)
<b>Net (loss) / income before taxation</b>	<b>(24,951)</b>	<b>5,297</b>	<b>3,871</b>	<b>(15,783)</b>	<b>38,953</b>	<b>2,824</b>	<b>1,918</b>	<b>43,695</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the period</b>	<b>(24,951)</b>	<b>5,297</b>	<b>3,871</b>	<b>(15,783)</b>	<b>38,953</b>	<b>2,824</b>	<b>1,918</b>	<b>43,695</b>
<b>Other comprehensive income</b>								
<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	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(24,951)</b>	<b>5,297</b>	<b>3,871</b>	<b>(15,783)</b>	<b>38,953</b>	<b>2,824</b>	<b>1,918</b>	<b>43,695</b>

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Islamic Pension Fund

## Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)

### For the Quarter ended March 31, 2022

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
<b>Income</b>								
Dividend income	2,443	-	-	2,443	1,048	-	-	1,048
Profit on bank deposits calculated using the effective interest method	7,963	2,535	3,283	13,781	(10,596)	1,938	2,342	(6,316)
Mark-up / return on investments calculated using the effective interest method	(91)	1,302	(988)	223	(161)	644	(595)	(112)
Realized (loss) on sale of investments	(9,624)	(1,543)	(456)	(11,623)	15,360	(1,239)	(601)	13,520
Unrealized (diminution) on re-measurement of investments at fair value through profit or loss	(6,382)	(7)	-	(6,389)	941	246	83	1,270
	(5,691)	2,287	1,839	(1,565)	6,592	1,589	1,229	9,410
Impairment loss on investments classified as 'available for sale'	-	-	-	-	(1,274)	(661)	(510)	(2,445)
	(5,691)	2,287	1,839	(1,565)	5,318	928	719	6,965
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,062	292	207	1,561	1,971	999	802	3,772
Remuneration of Central Depository Company of Pakistan Limited - Trustee	40	39	32	111	142	51	44	237
Annual fee to Securities and Exchange Commission of Pakistan	10	6	5	21	29	15	12	56
Auditors' remuneration	18	24	18	60	89	86	66	241
Settlement and bank charges	(128)	-	-	(128)	(356)	6	6	(344)
Other expense	403	10	6	419	656	(3)	(3)	650
	1,405	371	268	2,044	2,531	1,154	927	4,612
	(7,096)	1,916	1,571	(3,609)	2,787	(226)	(208)	2,353
Provision for Sindh Workers' Welfare Fund (SWWF)	-	-	-	-	(109)	(22)	(17)	(148)
<b>Net (loss) / income before taxation</b>	<b>(7,096)</b>	<b>1,916</b>	<b>1,571</b>	<b>(3,609)</b>	<b>2,678</b>	<b>(248)</b>	<b>(225)</b>	<b>2,205</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net (loss) / income for the period</b>	<b>(7,096)</b>	<b>1,916</b>	<b>1,571</b>	<b>(3,609)</b>	<b>2,678</b>	<b>(248)</b>	<b>(225)</b>	<b>2,205</b>
<b>Other comprehensive income</b>								
<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	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(7,096)</b>	<b>1,916</b>	<b>1,571</b>	<b>(3,609)</b>	<b>2,678</b>	<b>(248)</b>	<b>(225)</b>	<b>2,205</b>

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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, 2022**

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
<b>Net assets at beginning of the period</b>	196,033	86,844	64,519	347,396	123,319	71,853	52,127	247,299
Issuance of units	14,500	34,122	45,266	93,888	34,492	35,183	40,471	110,146
Redemption of units	(28,778)	(18,310)	(25,503)	(72,591)	(25,201)	(24,900)	(17,960)	(68,061)
Reallocation among funds	4,337	(3,514)	(823)	-				
	(9,941)	12,298	18,940	21,297	9,291	10,283	22,511	42,085
<b>Other comprehensive income</b>								
Net (loss) / income for the period	(24,951)	5,297	3,871	(15,783)	38,953	2,824	1,918	43,695
Net unrealised (loss) / gain on remeasurement of investments classified as available for sale	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	(24,951)	5,297	3,871	(15,783)	38,953	2,824	1,918	43,695
<b>Net assets at end of the period</b>	<b>161,141</b>	<b>104,439</b>	<b>87,330</b>	<b>352,910</b>	<b>171,563</b>	<b>84,960</b>	<b>76,556</b>	<b>333,079</b>
Net assets value per unit at beginning of the period	465.5652	172.151	167.7456		343.4056	163.516	160.77	
Net assets value per unit at end of the period	407.5936	181.8658	177.0057		449.5089	169.4225	165.6505	

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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, 2022*

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Net (loss) / income for the period	(24,951)	5,297	3,871	(15,783)	38,953	2,824	1,918	43,695
<b>Adjustments</b>								
Unrealized diminution in the market value of investments classified as fair value through profit or loss	20,245	(18)	-	20,227	(23,288)	(109)	(12)	(23,409)
Impairment loss on investments classified as 'available for sale'	-	-	-	-	-	-	-	-
	(4,706)	5,279	3,871	4,444	15,665	2,715	1,906	20,286
<b>Decrease / (increase) in assets</b>								
Investments - net	13,433	20,857	5,627	39,917	(9,434)	(33,175)	(15,518)	(58,127)
Dividend and profit receivable	(305)	(872)	(1,535)	(2,712)	(346)	(1,008)	(436)	(1,790)
Advances, deposits, prepayments and other receivables	(2,883)	(336)	13	(3,206)	(9,382)	320	-	(9,062)
	10,245	19,649	4,105	33,999	(19,162)	(33,863)	(15,954)	(68,979)
<b>(Decrease) / increase in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	199	(69)	(60)	70	40	13	40	93
Payable to Central Depository Company of Pakistan Limited - Trustee	(1)	2	2	3	11	3	5	19
Payable to Securities and Exchange Commission of Pakistan	(6)	(4)	(4)	(14)	(9)	(5)	(3)	(17)
Accrued expenses and other liabilities	(3,196)	(233)	511	(2,918)	(2,553)	74	62	(2,417)
	(3,004)	(304)	449	(2,859)	(2,511)	85	104	(2,322)
<b>Net cash (used in) / generated from operating activities</b>	<b>2,535</b>	<b>24,624</b>	<b>8,425</b>	<b>35,584</b>	<b>(6,008)</b>	<b>(31,063)</b>	<b>(13,944)</b>	<b>(51,015)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
Amount received on issue of units	14,500	34,122	45,266	93,888	34,492	35,183	40,471	110,146
Amount paid on redemption of units	(28,778)	(18,310)	(25,503)	(72,591)	(25,201)	(24,900)	(17,960)	(68,061)
Reallocation among funds	4,337	(3,514)	(823)	-	-	-	-	-
<b>Net cash generated from / (used in) financing activities</b>	<b>(9,941)</b>	<b>12,298</b>	<b>18,940</b>	<b>21,297</b>	<b>9,291</b>	<b>10,283</b>	<b>22,511</b>	<b>42,085</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(7,406)</b>	<b>36,922</b>	<b>27,365</b>	<b>56,881</b>	<b>3,283</b>	<b>(20,780)</b>	<b>8,567</b>	<b>(8,930)</b>
Cash and cash equivalents at beginning of the period	10,208	39,787	50,267	100,262	9,271	57,147	50,483	116,901
<b>Cash and cash equivalents at end of the period</b>	<b>2,802</b>	<b>76,709</b>	<b>77,632</b>	<b>157,143</b>	<b>12,554</b>	<b>36,367</b>	<b>59,050</b>	<b>107,971</b>

The annexed notes 1 to 20 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

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, 2022

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### 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.

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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, 2021.

## **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, 2021.

## **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, 2021.

6. BANK BALANCES	Note	March 31, 2022				June 30, 2021			
		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		2,802	76,709	77,632	157,143	10,208	39,787	50,267	100,262
		<u>2,802</u>	<u>76,709</u>	<u>77,632</u>	<u>157,143</u>	<u>10,208</u>	<u>39,787</u>	<u>50,267</u>	<u>100,262</u>

7. INVESTMENTS		(Un-audited) March 31, 2022				Audited June 30, 2021			
		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	7.1	154,442	-	-	154,442	188,120	-	-	188,120
Government securities - Ijarah sukuks	7.2	-	-	-	-	-	36,906	11,654	48,560
Sukuk bonds	7.3	-	23,301	9,001	32,302	-	10,218	-	10,218
Commercial papers	7.4	-	2,984	-	2,984	-	-	2,974	2,974
		<u>154,442</u>	<u>26,285</u>	<u>9,001</u>	<u>189,728</u>	<u>188,120</u>	<u>47,124</u>	<u>14,628</u>	<u>249,872</u>

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

#### Held by Equity Sub-Fund

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

Name of the investee company	As at July 1, 2021	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, 2022	Market value as at March 31, 2022	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)										
(%)										
<b>CHEMICALS</b>										
Engro Polymer & Chemicals Limited	-	82,000	-	-	82,000	-	-	0.00%	0.00%	0.00%
Descon Oxychem Limited	-	124,500	-	-	124,500	-	-	0.00%	0.00%	0.00%
Nimir Resins Limited	50,000	74,000	-	-	80,000	44,000	752	0.42%	0.43%	0.06%
	<u>50,000</u>	<u>280,500</u>	<u>-</u>	<u>-</u>	<u>286,500</u>	<u>44,000</u>	<u>752</u>	<u>0.42%</u>	<u>0.43%</u>	<u>0.06%</u>
<b>CEMENT</b>										
Lucky Cement Limited	18,500	5,520	-	-	5,100	18,920	12,040	6.72%	6.93%	0.01%
D.G. Khan Cement Company Limited	40,000	-	-	-	40,000	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited	13,100	-	-	-	13,100	-	-	0.00%	0.00%	0.00%
Kohat Cement Company Limited	18,300	6,100	-	-	12,500	11,900	2,046	1.14%	1.18%	0.01%
Maple Leaf Cement Factory Limited **	121,000	263,500	-	-	202,500	182,000	6,560	3.66%	3.78%	0.02%
Pioneer Cement Limited	22,000	2,500	-	-	24,500	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	-	40,000	-	-	40,000	-	-	0.00%	0.00%	0.00%
Attock Cement	27,000	40,900	-	-	-	67,900	8,591	4.79%	4.95%	0.05%
	<u>259,900</u>	<u>358,520</u>	<u>-</u>	<u>-</u>	<u>337,700</u>	<u>280,720</u>	<u>29,237</u>	<u>16.31%</u>	<u>16.84%</u>	<u>0.09%</u>
<b>PHARMACEUTICALS</b>										
The Searle Company Limited *	282	15,570	84	-	-	15,936	1,975	1.10%	1.14%	0.01%
Abot Laboratories	-	3,900	-	-	3,900	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited*	-	6,000	-	-	2,300	3,700	2,329	1.30%	1.34%	0.01%
Ferozsons Laboratoried Limited	-	12,500	-	-	4,800	7,700	2,518	1.40%	1.45%	0.02%
	<u>282</u>	<u>37,970</u>	<u>84</u>	<u>-</u>	<u>11,000</u>	<u>27,336</u>	<u>6,822</u>	<u>3.80%</u>	<u>3.93%</u>	<u>0.04%</u>
<b>FERTILIZERS</b>										
Engro Corporation Limited	39,020	68,750	-	-	58,320	49,450	13,233	7.38%	7.62%	0.01%
Engro Fertilizer Limited	-	50,000	-	-	50,000	-	-	0.00%	0.00%	0.00%
	<u>39,020</u>	<u>118,750</u>	<u>-</u>	<u>-</u>	<u>108,320</u>	<u>49,450</u>	<u>13,233</u>	<u>7.38%</u>	<u>7.62%</u>	<u>0.01%</u>
<b>AUTOMOBILE PARTS AND ACCESSORIES</b>										
Panther Tyres Limited	29,076	-	-	-	29,076	-	-	0.00%	0.00%	0.00%
	<u>29,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,076</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>AUTOMOBILE ASSEMBLER</b>										
Pak Suzuki Motor Company Limited	8,000	-	-	-	8,000	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	9,500	-	-	-	9,500	-	-	0.00%	0.00%	0.00%
Ghandara Industries Limited	-	2,500	-	-	2,500	-	-	0.00%	0.00%	0.00%
	<u>17,500</u>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>TEXTILE COMPOSITE</b>										
Nishat Mills Limited **	25,500	15,900	-	-	-	41,400	3,547	1.98%	2.04%	0.01%
Interloop Limited	57,445	-	1,775	-	9,052	50,168	3,707	2.07%	2.13%	0.01%
Kohinoor Textile Limited	52,500	-	-	-	10,000	42,500	2,646	1.48%	1.52%	0.01%
	<u>135,445</u>	<u>15,900</u>	<u>1,775</u>	<u>-</u>	<u>19,052</u>	<u>134,068</u>	<u>9,900</u>	<u>5.53%</u>	<u>5.69%</u>	<u>0.03%</u>

Name of the investee company	As at July 1, 2021	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, 2022	Market value as at March 31, 2022	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
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Oil and Gas Development Company Limited **	148,500	76,250	-	-	68,163	156,587	13,017	7.26%	7.50%	0.00%
Pakistan Petroleum Limited **	155,400	79,800	-	-	130,007	105,193	7,658	4.27%	4.41%	0.00%
Mari Petroleum Company Limited	6,406	1,740	-	-	1,600	6,546	11,583	6.46%	6.67%	0.00%
Pakistan Oilfields Limited	10,200	4,300	-	-	5,900	8,600	3,205	1.79%	1.85%	0.00%
	<b>320,506</b>	<b>162,090</b>	<b>-</b>	<b>-</b>	<b>205,670</b>	<b>276,926</b>	<b>35,463</b>	<b>19.78%</b>	<b>20.43%</b>	<b>0.00%</b>
<b>OIL &amp; GAS MARKETING COMPANIES</b>										
Pakistan State Oil Company Limited **	41,823	17,200	-	-	5,000	54,023	9,004	5.02%	5.19%	0.01%
Sui Northern Gas Pipelines Limited	-	46,500	-	-	-	46,500	1,478	0.82%	0.85%	0.01%
	<b>41,823</b>	<b>63,700</b>	<b>-</b>	<b>-</b>	<b>5,000</b>	<b>100,523</b>	<b>10,482</b>	<b>5.84%</b>	<b>6.04%</b>	<b>0.02%</b>
<b>CABLE AND ELECTRICAL GOODS</b>										
Waves Singer Pakistan Limited	71,000	59,000	-	-	130,000	-	-	0.00%	0.00%	0.00%
Pak Elektron Limited	52,500	94,200	-	-	146,700	-	-	0.00%	0.00%	0.00%
	<b>123,500</b>	<b>153,200</b>	<b>-</b>	<b>-</b>	<b>276,700</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>COMMERCIAL BANKS</b>										
Bank Islami Pakistan Limited	218,000	172,000	-	-	100,000	290,000	3,674	2.05%	2.12%	0.03%
Meezan Bank Limited	78,555	40,500	12,688	-	17,155	114,588	15,006	8.37%	8.64%	0.01%
	<b>296,555</b>	<b>212,500</b>	<b>12,688</b>	<b>-</b>	<b>117,155</b>	<b>404,588</b>	<b>18,680</b>	<b>10.42%</b>	<b>10.76%</b>	<b>0.04%</b>
<b>POWER GENERATION AND DISTRIBUTION</b>										
The Hub Power Company Limited **	109,431	5,000	-	-	63,000	51,431	3,681	2.05%	2.12%	0.00%
	<b>109,431</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>63,000</b>	<b>51,431</b>	<b>3,681</b>	<b>2.05%</b>	<b>2.12%</b>	<b>0.00%</b>
<b>ENGINEERING</b>										
International Industries Limited	13,200	-	-	-	13,200	-	-	0.00%	0.00%	0.00%
International Steels Limited	29,500	-	-	-	29,500	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited **	37,120	44,300	10,371	-	18,353	73,438	6,698	3.74%	3.86%	0.02%
Aisha Steel Mill Limited	67,000	-	-	-	67,000	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	-	46,000	-	-	46,000	-	-	0.00%	0.00%	0.00%
Agha Steel Industries Limited	101,500	65,000	5,329	-	85,254	86,575	1,743	0.97%	1.00%	0.01%
	<b>248,320</b>	<b>155,300</b>	<b>15,700</b>	<b>-</b>	<b>259,307</b>	<b>160,013</b>	<b>8,441</b>	<b>4.71%</b>	<b>4.86%</b>	<b>0.03%</b>
<b>REFINERY</b>										
National Refinery limited	9,000	700	-	-	5,610	4,090	848	0.47%	0.49%	0.01%
Attock Refinery Limited	7,000	6,000	-	-	6,500	6,500	836	0.47%	0.48%	0.01%
	<b>16,000</b>	<b>6,700</b>	<b>-</b>	<b>-</b>	<b>12,110</b>	<b>10,590</b>	<b>1,684</b>	<b>0.94%</b>	<b>0.97%</b>	<b>0.02%</b>
<b>TECHNOLOGY AND COMMUNICATION</b>										
Systems Limited	5,610	13,160	-	-	7,050	11,720	4,440	2.48%	2.56%	0.01%
TRG Pakistan Ltd	-	29,000	-	-	29,000	-	-	-	-	-
TPL Trakker Ltd	-	84,500	-	-	-	84,500	1,246	-	-	-
Avanceon Limited	22,800	13,500	-	-	27,000	9,300	823	0.46%	0.47%	0.00%
Octopus Digital Limited	-	19,877	-	-	19,877	-	-	0.00%	0.00%	0.00%
	<b>28,410</b>	<b>160,037</b>	<b>-</b>	<b>-</b>	<b>82,927</b>	<b>105,520</b>	<b>6,509</b>	<b>2.94%</b>	<b>3.03%</b>	<b>0.01%</b>
<b>FOOD AND PERSONNEL CARE PRODUCTS</b>										
The Organic Meat Company Limited	151,500	7,000	12,895	-	46,445	124,950	3,533	1.97%	2.03%	0.10%
Al-Shaheer corporation	-	45,000	-	-	45,000	-	-	0.00%	0.00%	0.00%
Unity Foods Limited	125,500	168,000	-	-	64,000	229,500	6,025	3.36%	3.47%	0.02%
Unity Foods Limited (R3)	-	57,039	-	-	57,039	-	-	0.00%	0.00%	0.00%
	<b>277,000</b>	<b>277,039</b>	<b>12,895</b>	<b>-</b>	<b>212,484</b>	<b>354,450</b>	<b>9,558</b>	<b>5.33%</b>	<b>5.50%</b>	<b>0.12%</b>
<b>GLASS AND CERAMICS</b>										
Shabbir Tiles and Ceramics Ltd.	-	28,500	-	-	28,500	-	-	0.00%	0.00%	0.00%
	<b>-</b>	<b>28,500</b>	<b>-</b>	<b>-</b>	<b>28,500</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
	<b>1,992,768</b>	<b>2,038,206</b>	<b>43,142</b>	<b>-</b>	<b>2,074,501</b>	<b>1,999,615</b>	<b>154,442</b>	<b>85%</b>	<b>88%</b>	<b>0.47%</b>

\* The above investments include shares with market value aggregating to Rs. 29.6712 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.

\*\* 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 the 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 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.0.0958 million (2021: 0.1215 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	Tenor	Face value			As at March 31, 2022	Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
----- (Rupees in '000) -----									
April 30, 2020	5 Years	38,000	-	38,000	-	-	-	-	-
October 29, 2021	5 Years	-	44,500	44,500	-	-	-	-	-
		<u>38,000</u>	<u>44,500</u>	<u>82,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 7.2.2 Held by Money Market sub fund

Issue Date	Tenor	Face value			As at March 31, 2022	Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
----- (Rupees in '000) -----									
April 30, 2020	5 Years	12,000	-	12,000	-	-	-	-	-
October 29, 2021	5 Years	-	11,500	11,500	-	-	-	-	-
		<u>12,000</u>	<u>11,500</u>	<u>23,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 7.3 Sukuk bonds

### 7.3.1 Held by Debt sub fund

	Face value				Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of		
	As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at March 31, 2022			Total investments of sub-fund	Net assets of sub-funds	
----- (Number of certificates) -----									
----- Rupees in ('000) -----									
----- (%) -----									
<b>Fertilizers</b>									
Fatima Fertilizers Company Limited	357	-	357	-	-	-	-	-	-
	<u>357</u>	<u>-</u>	<u>357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Multitiilities</b>									
Water and Power Development Authority	474	-	474	-	-	-	0.00%	0.00%	
K-Electric	1,550	-	-	1,550	388	389	1.48%	0.37%	
Hub Power Company Limited	50	6	-	56	11,000	11,125	42.32%	10.65%	
	<u>2,074</u>	<u>6</u>	<u>474</u>	<u>1,606</u>	<u>11,388</u>	<u>11,514</u>	<u>43.80%</u>	<u>11.02%</u>	
<b>Pharmaceuticals</b>									
AGP Limited	24	-	-	24	120	120	0.46%	0.11%	
	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>120</u>	<u>120</u>	<u>0.46%</u>	<u>0.11%</u>	
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
TPL tracker limited	10	-	-	10	889	893	3.40%	0.86%	
	<u>10</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>889</u>	<u>893</u>	<u>3.40%</u>	<u>0.86%</u>	
<b>Miscellaneous</b>									
International Brands Limited Sukuk	20	-	-	20	86	89	0.34%	0.09%	
Agha Steel Industries Limited Sukuk	1	-	-	1	688	693	2.64%	0.66%	
OBS AGP Sukuk	-	20	-	20	2,000	2,007	7.64%	1.92%	
Pak Elektron Sukuk	-	8	-	8	8,000	7,985	30.38%	7.65%	
	<u>21</u>	<u>28</u>	<u>-</u>	<u>49</u>	<u>10,774</u>	<u>10,774</u>	<u>41.00%</u>	<u>10.32%</u>	
<b>Total</b>	<u>2,486</u>	<u>34</u>	<u>831</u>	<u>1,689</u>	<u>23,171</u>	<u>23,301</u>	<u>88.66%</u>	<u>22.31%</u>	

**7.3.2 Held by Money Market sub fund**

	Face value				Carrying value as at March 31, 2022	Market value as at March 31, 2022	Market value as a percentage of	
	As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at March 31, 2022			Total investments of sub-fund	Net assets of sub-funds
	(Number of certificates)						Rupees in ('000)	
Hubco Sukuk	-	9	-	9	9,001	9,001	100.00%	10.31%
	-	9	-	9	9,001	9,001	100.00%	10.31%

Significant terms and conditions of Sukuk bonds outstanding as at June 30, 2021 are as follows:

Name of security	Principal face value per TFC (Rupees)	Mark-up rate (per annum)	Issue date	Maturity date
K-Electric	1,000	3 months KIBOR + 1%	17-Jun-15	17-Jun-22
Hub Power Company Limited	100,000	6 months KIBOR + 1.5%	19-Mar-20	19-Mar-21
AGP Limited	20,000	3 months KIBOR + 1.3%	9-Jun-17	9-Jun-22
International Brands Limited	16,783	12 months KIBOR + 0.5%	15-Nov-17	19-Feb-22
TPL Trakker Limited	1,000,000	3 months KIBOR + 3%	30-Mar-21	30-Mar-26
Agha Steel Industries Limited	875,000	3 months KIBOR + 0.8%	9-Oct-18	9-Oct-24
OBS AGP Private Limited	100,000	3 Month KIBOR + 1%	15-Jul-21	15-Jul-26
Pak Electron Limited	1,000,000	3 Month KIBOR + 1%	15-Nov-21	15-Feb-23

**7.4 Commercial Papers**
**7.4.1 Held by Debt sub fund**

	Maturity Date	Face Value			Market value as at March 31, 2022	Percentage of total value of investments of	Percentage of Net Assets of sub-fund	
		As at July 1, 2021	Placement made during the period	Matured / Sold during the period				
		Rupees in ('000)						(%)
K-Electric Limited	April 7, 2022	-	1,000	-	1,000	999	3.80%	0.96%
K-Electric Limited	May 3, 2022	-	2,000	-	2,000	1,985	7.55%	1.90%
K-Electric Limited	January 23, 2022	-	7,000	7,000	-	-	-	-
		-	10,000	7,000	3,000	2,984	11.35%	2.86%

**7.4.2 Held by Money Market sub fund**

	Maturity date	Face Value			Market value as at March 31, 2021	Percentage of total value of investments of	Percentage of Net Assets of sub-fund	
		As at July 1, 2021	Placement made during the period	Matured / Sold during the period				
		Rupees in ('000)						(%)
K-Electric Limited	August 10, 2021	3,000	-	3,000	-	-	-	
K-Electric Limited	March 21, 2022	-	6,000	6,000	-	-	-	
K-Electric Limited	January 23, 2022	-	2,000	2,000	-	-	-	
		3,000	8,000	11,000	-	-	0.00%	0.00%

**8. DIVIDEND AND PROFIT RECEIVABLE**

	March 31, 2022				June 30, 2021			
	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	369	-	-	369	52	-	-	52
Profit receivable on bank deposits	5	940	1,897	2,842	17	426	585	1,028
Profit accrued on sukuk bonds	-	951	351	1,302	-	593	128	721
	374	1,891	2,248	4,513	69	1,019	713	1,801

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

	March 31, 2022				June 30, 2021			
	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
- Receivable against Sale of Equity Securities/ Debt Securites	2,852	-	-	2,852	-	-	-	-
NCCPL Deposit	2,500	-	-	2,500	2,500	-	-	-
- Other Receivable	124	530	20	674	93	69	33	195
	5,576	630	120	6,326	2,693	169	133	495

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

	Note	March 31, 2022				June 30, 2021			
		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	412	58	35	563	229	111	87	427
Sindh Sales Tax	10.2	53	8	4	65	30	14	11	55
Sales load payable		-	-	-	-	7	10	1	18
		465	66	39	628	266	135	99	500

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% (June 30, 2018: 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, 2022				June 30, 2021			
	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	25	14	12	51	26	12	10	48
Sindh Sales Tax on Trustee remuneration	3	2	1	6	3	2	1	6
	<u>28</u>	<u>16</u>	<u>13</u>	<u>57</u>	<u>29</u>	<u>14</u>	<u>11</u>	<u>54</u>

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, 2022				June 30, 2021			
	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	99	73	56	228	128	67	54	249
Payable against purchase of investments	-	-	-	-	252	-	-	252
Federal Excise Duty	879	488	383	1,750	880	488	383	1,751
Provision for Sindh Workers' Welfare Fund	-	-	-	-	3,077	381	282	3,740
Payable against redemption of units	-	-	-	-	16	122	-	138
Other payable	547	417	1,167	2,131	369	152	376	897
	<u>1,525</u>	<u>978</u>	<u>1,606</u>	<u>4,109</u>	<u>4,722</u>	<u>1,210</u>	<u>1,095</u>	<u>7,027</u>

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 effect 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, 2021: 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, 2022 would have been higher by Rs. 2.23, Rs. 0.85 and Rs. 0.77 (June 30, 2021: 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, 2022				June 30, 2021			
	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	421,065	504,466	384,621	1,310,152	359,107	439,427	324,232	1,122,766
Units issued during the period	33,422	193,124	262,839	489,385	387,366	770,040	761,423	1,918,829
Units redeemed during the period	(69,593)	(103,879)	(149,406)	(322,878)	(340,497)	(733,523)	(710,820)	(1,784,840)
Reallocation during the period	10,454	(19,449)	(4,679)	(13,674)	15,089	28,522	9,786	53,397
<b>Total units in issue at the end of the period</b>	<b>395,348</b>	<b>574,262</b>	<b>493,375</b>	<b>1,462,985</b>	<b>421,065</b>	<b>504,466</b>	<b>384,621</b>	<b>1,310,152</b>

**15. PROVISION FOR WORKERS' WELFARE FUND**

The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, 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, and thus SWWF is payable by them.

During the current period, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to MUFAP has clarified that Asset Management Company's (AMCs) are covered under the term "financial institutions" as per the Sindh WWF Act 2014 and are therefore subject to SWWF charge whereas as the Mutual Funds/Pension Funds managed by those AMCs do not qualify as "financial institutions" as per SWWF Act 2014.

In the wake of the aforesaid clarification of SRB, the MUFAP called its Extraordinary General Meeting on August 13, 2021, wherein the MUFAP recommended to its members that effective from August 13, 2021, SWWF recognised earlier should be reversed in light of the clarification issued by SRB. Subsequently, MUFAP approached SECP and obtained the clarification with respect to this matter as well.

**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 31, March 2022				Nine Months Ended 31, March 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
<b>HBL Asset Management Limited - Pension Fund Manager</b>								
Management fee	2,659	1,047	777	4,483	1,990	1,009	810	3,809
<b>Habib Bank Limited - Sponsor</b>								
Bank charges paid	10	18	9	37	18	16	22	56
Profit on bank deposits earned	43	827	1,101	1,971	241	773	578	1,592
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
Issue of units	Number 244	-	-	244				
Amount of units issued	100	-	-	100				
Reallocation of units	Number 1,195	(1,887)	(880)	(1,572)				
Amount of Units Reallocated	496	(341)	(155)	-				
<b>Executives and their relatives</b>								
Issuance of units	Number -	-	-	-	2,767	-	-	2,767
Amount of units issued	-	-	-	-	1,192	-	-	1,192

	Nine Months Ended 31, March 2022				Nine Months Ended 31, March 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	200	115	89	404	200	101	81	382
Central Depository System Charges	12	5	5	22	12	5	5	22
<b>Directors of connected persons</b>								
Reallocation of units	Number 2	(3)	(1)	(2)				
Amount of units reallocated	8	(5)	(3)	-				
Redemption of units	Number							
Amount of units redeemed								
<b>16.2 Balances outstanding as at period end</b>								
	March 31, 2022				June 30, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
<b>HBL Asset Management Limited - Pension Fund Manager</b>								
Management fee payable	412	58	35	505	2,722	1,395	1,135	5,252
Sindh Sales tax Payable	53	8	4	65	30	14	11	55
Sales load payable	-	-	-	-	7	10	1	18
Federal Excise Duty payable	879	488	383	1,750	880	488	383	1,751
<b>Habib Bank Limited - Sponsor</b>								
Units held	Number 128,334	-	-	128,334	128,334	-	-	128,334
Amount of units held	52,308	-	-	52,308	59,748	-	-	59,748
Bank balances	753	729	480	1,962	6,191	16,371	11,061	33,623
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
Units held	Number 17,783	40,286	20,685	78,754	16,345	42,174	21,565	80,084
Amount of units held	7,248	7,327	3,661	18,236	7,609	7,260	3,617	18,486
<b>Executives and their relatives</b>								
Units held	Number 2,612	2	-	2,614	5,289	-	-	5,289
Amount of units held	1,065	-	-	1,065	2,463	-	-	2,463
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration payable	28	16	13	57	29	14	11	54
Security deposit receivable	100	100	100	300	100	100	100	300
<b>Directors of connected persons</b>								
Units held	Number 53	34	18	105	22,620	58,271	19	80,910
Amount of units held	22	6	3	31	10,531	10,031	3	20,565

## 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, 2022								
On-balance sheet financial instruments		Carrying Amount			Total	Fair Value			Total	
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		Level 1	Level 2	Level 3		
(Rupees in'000)										
<b>Financial assets measured at fair value</b>										
	- Listed equity securities	154,442	-	-	-	154,442	-	-	154,442	
		154,442	-	-	-	154,442	-	-	154,442	
<b>Financial assets not measured at fair value</b>										
18.1	- Bank balances	-	-	-	2,802	-	-	-	2,802	
	- Dividend receivable and accrued mark-up	-	-	-	374	-	-	-	374	
	- Advances, deposits, prepayments and other receivables	-	-	-	5,576	-	-	-	5,576	
		-	-	-	8,752	-	-	-	8,752	
		154,442	-	-	8,752	-	-	-	163,196	
<b>Financial liabilities not measured at fair value</b>										
18.1	- Payable to the Pension Fund Manager	-	-	-	465	-	-	-	465	
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	28	-	-	-	28	
	- Accrued expenses and other liabilities	-	-	-	646	-	-	-	646	
		-	-	-	1,139	-	-	-	1,139	

		Held by Equity sub-fund								
		June 30, 2021								
On-balance sheet financial instruments		Carrying Amount			Total	Fair Value			Total	
Note	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)										
<b>Financial assets measured at fair value</b>										
	- Listed equity securities	188,120	-	-	-	188,120	153,805	-	153,805	
		188,120	-	-	-	188,120	-	-	188,120	
<b>Financial assets not measured at fair value</b>										
18.1	- Bank balances	-	-	10,208	-	-	-	-	10,208	
	- Dividend receivable and accrued mark-up	-	-	69	-	-	-	-	69	
	- Advances, deposits, prepayments and other receivables	-	-	2,693	-	-	-	-	2,693	
		-	-	12,970	-	-	-	-	12,970	
		188,120	-	12,970	-	-	-	-	201,090	
<b>Financial liabilities not measured at fair value</b>										
18.1	- Payable to the Pension Fund Manager	-	-	-	266	-	-	-	266	
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	29	-	-	-	29	
	- Accrued expenses and other liabilities	-	-	-	765	-	-	-	765	
		-	-	-	1,060	-	-	-	1,060	

		Held by Debt sub-fund								
		March 31, 2022								
On-balance sheet financial instruments		Carrying Amount			Total	Fair Value			Total	
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		Level 1	Level 2	Level 3		
(Rupees in'000)										
<b>Financial assets measured at fair value</b>										
	- GoP Ijarah Sukuks	-	-	-	-	-	-	-	-	
	- Term Finance Certificates and Sukuk Bonds - Unlisted	23,301	-	-	-	-	23,301	-	23,301	
		23,301	-	-	-	-	23,301	-	23,301	
<b>Financial assets not measured at fair value</b>										
18.1	- Bank balances	-	-	-	76,709	-	-	-	76,709	
	- Term Deposit Receipts (TDRs)	-	-	-	1,891	-	-	-	1,891	
	- Dividend receivable and accrued mark-up	-	-	-	630	-	-	-	630	
	- Other receivables	-	-	-	2,984	-	-	-	2,984	
	- Commercial Paper	-	-	-	82,214	-	-	-	82,214	
		23,301	-	-	82,214	-	-	-	105,515	
<b>Financial liabilities not measured at fair value</b>										
18.1	- Payable to the Pension Fund Manager	-	-	-	66	-	-	-	66	
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	16	-	-	-	16	
	- Accrued expenses and other liabilities	-	-	-	490	-	-	-	490	
		-	-	-	572	-	-	-	572	

		Held by Debt sub-fund								
		June 30, 2021								
On-balance sheet financial instruments		Carrying Amount			Total	Fair Value			Total	
Note	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)										
<b>Financial assets measured at fair value</b>										
	- GoP Ijarah Sukuks	36,906	-	-	-	-	36,906	-	36,906	
	- Term Finance Certificates and Sukuk Bonds - Unlisted	10,218	-	-	-	-	10,218	-	10,218	
		47,124	-	-	-	-	47,124	-	47,124	
<b>Financial assets not measured at fair value</b>										
18.1	- Bank balances	-	-	39,787	-	-	-	-	39,787	
	- Dividend receivable and accrued mark-up	-	-	1,019	-	-	-	-	1,019	
	- Term deposits receipts (TDRs)	-	-	-	-	-	-	-	-	
	- Advances, deposits, prepayments and other receivables	-	-	169	-	-	-	-	169	
		-	-	40,975	-	-	-	-	40,975	
		47,124	-	40,975	-	-	-	-	88,099	
<b>Financial liabilities not measured at fair value</b>										
18.1	- Payable to the Pension Fund Manager	-	-	-	135	-	-	-	135	
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	14	-	-	-	14	
	- Accrued expenses and other liabilities	-	-	-	341	-	-	-	341	
		-	-	-	490	-	-	-	490	

Held by Money Market sub-fund										
March 31, 2022										
On-balance sheet financial instruments	Note	Carrying Amount				Fair Value				
		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)										
<b>Financial assets measured at fair value</b>										
- GoP Ijarah Sukuks		9,001	-	-	-	9,001	-	9,001	-	9,001
- Term Finance Certificates and Sukuk Bonds - Unlisted										
<b>Financial assets not measured at fair value</b>										
- Bank balances	18.1	-	-	-	77,632	77,632				
- Term deposits receipts (TDRs)		-	-	-	-	-				
- Dividend receivable and accrued mark-up		-	-	-	2,248	2,248				
- Advances, deposits, prepayments and other receivables		-	-	-	120	120				
- Commercial Paper		-	-	-	-	-				
		<u>9,001</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>89,001</u>				
<b>Financial liabilities not measured at fair value</b>										
- Payable to the Pension Fund Manager	18.1	-	-	-	39	39				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	13	13				
- Accrued expenses and other liabilities		-	-	-	1,223	1,223				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275</u>	<u>1,275</u>				
Held by Money Market sub-fund										
June 30, 2021										
On-balance sheet financial instruments	Note	Carrying Amount				Fair Value				
		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)										
<b>Financial assets measured at fair value</b>										
- GoP Ijarah Sukuks		11,654	-	-	-	11,654	-	11,654	-	11,654
<b>Financial assets not measured at fair value</b>										
- Bank balances	18.1	-	-	50,267	-	50,267				
- Commercial paper		-	-	2,974	-	2,974				
- Dividend receivable and accrued mark-up		-	-	713	-	713				
- Advances, deposits, prepayments and other receivables		-	-	133	-	133				
		<u>11,654</u>	<u>-</u>	<u>54,087</u>	<u>-</u>	<u>65,741</u>				
<b>Financial liabilities not measured at fair value</b>										
- Payable to the Pension Fund Manager	18.1	-	-	-	99	99				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	11	11				
- Accrued expenses and other liabilities		-	-	-	430	430				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>540</u>	<u>540</u>				

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. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the Nine months period ended March 31, 2022 is 1.96%,1.43% and 1.60% respectively which includes 0.18%,0.18% and 0.18% respectively representing Government levy and SECP fee.

## 19. GENERAL

Figures have been rounded off to the nearest thousand rupees.

19.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure, effect of which is not material.

19.2 In March 2020, the World Health Organization ('WHO') declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, stay-at-home or shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic. The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended March 31, 2022 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations.

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However, to reduce the impact on the economy and business. regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts from time to time. The Management Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

The Management Company expects that going forward these uncertainties would reduce as the impact of COVID- 19 on overall economy subsides and have concluded that there is no impact on this condensed interim financial information.

**20. 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 26, 2022.

For HBL Asset Management Limited  
(Pension Fund Manager)

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Chief Financial Officer

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Chief Executive Officer

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
Director










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# HBL

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