

HBL

ASSET MANAGEMENT LTD.
ایسٹٹ مینجمنٹ لمیٹڈ



HBL Pension Fund & HBL Islamic Pension Fund

Quarterly REPORT 2022

For the period ended September 30, 2022

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 19, 2022)

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Directors	Mr. Mir Adil Rashid Ms. Ava Ardeshir Cowasjee Mr. Khalid Malik Mr. Rayomond H. Kotwal Mr. Tariq Masaud Mr. Abrar Ahmed Mir Mr. Abid Sattar	(Chief Executive Officer) (Independent Director) (Independent Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director) (Independent Director)

Audit Committee

Chairman	Mr. Khalid Malik	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee Mr. Rayomond H. Kotwal	(Independent Director) (Non-Executive Director)

Human Resource Committee

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

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud Mr. Mir Adil Rashid Mr. Abid Sattar	(Non-Executive Director) (Chief Executive Officer) (Independent Director)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Abid Sattar Ms. Ava Ardeshir Cowasjee	(Independent Director) (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.hblasst.com

Head Office & Registered Office

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of HBL Pension Fund and HBL Islamic Pension Fund (the Funds) for the period ended September 30, 2022.

ECONOMIC REVIEW

The government's GDP growth target for FY23 was 5.0% (against 5.97% achieved in FY22), however, on account of the recent floods, SBP/ADB/World Bank have revised down their growth projections to 2.4%/3.5%/2.0%, respectively. As per various estimates, economic losses as a result of the floods are expected to reach ~USD 40bn. A positive development has been the resumption of IMF program, which has provided much needed breathing space to the ailing economy, and opened other avenues of funding for the government. Moreover, in order to achieve sustainable economic growth, the authorities have taken some contractionary monetary and fiscal policy measures.

The Current Account Deficit (CAD) for Sep-22 clocked in at USD 316mn, taking 1QFY23 CAD to USD 2.2bn, compared to a Deficit of USD 3.5bn during the same period last year. This was primarily driven by a decline in imports as a result of stringent measures taken by the Government to reduce the outflow of foreign exchange. However, the decline in remittances set off some of the positive impact, which fell by 6.3% during 1QFY23 to USD 7.7bn, compared to USD 8.2bn 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 Regulatory Duty (RD) and Additional Customs Duty (ACD) in the range of 100-150% on almost 600-700 luxury items. However, the recent floods have raised concerns regarding CAD overshooting the government's initial target on account of the expected increase in import of agricultural products and decline in textile exports.

CPI for Sep-22 clocked in at 23.2% YoY, taking 1QFY22 average inflation to 25.11%, compared to 8.58% during the SPLY. The increase in CPI was largely driven by higher food and fuel prices, whereby food prices have been on a rising trajectory owing to the widespread flooding that has devastated crops and farmlands, while fuel prices have risen on account of the Petroleum Development Levy (PDL) imposed by the government.

Fiscal deficit for July was recorded at 0.3% of GDP, compared to 0.4% of GDP during the same period last year (SPLY). Primary balance posted a surplus of PKR 142bn, compared to a deficit of PKR 5bn during the SPLY. FBR has provisionally collected PKR 1,635bn during 1QFY23, compared to PKR 1,403bn during the SPLY, surpassing its target by PKR 27bn.

STOCK MARKET REVIEW

During 1QFY23, the KSE-100 index declined by 412pts or 1% to close at 41,541pts. The KMI-30 index declined by 1,303 pts or 1.9% to close at 67,463 pts. The market started off on a positive note, increasing by 2.0% during Jul-22 and Aug-22 on the back of resumption of the IMF program, which opened other avenues of external funding for the government. Investor sentiment was also boosted by news flow that Saudi Arabia was seeking to renew its USD 3bn deposits with Pakistan, along with provision of USD 100mn per month for import of petroleum products. Furthermore, news flow suggested that Qatar had announced plans to invest USD 3bn in various commercial and investment sectors of the country. However, during Sep-22, the positive sentiment was overshadowed by the devastation caused by the floods, as it led to concerns regarding expected increase in the twin deficits due to the required spending on rehabilitation efforts, expected increase in import of agricultural products and decline in textile exports.

During 1QFY23, major negative contribution came from Fertilizer (380 pts), Commercial Banks (260pts), and Oil & Gas Exploration (249pts) sectors. On the other hand, major positive contribution came from Technology & Communication (761pts), and Cement (275pts) sectors.

During the period, average traded volume declined by 2% QoQ to 109mn shares, while average traded value increased by ~3% QoQ to PKR 5.4bn. On the flows side, Foreigners were net sellers during 1QFY23 and sold shares worth USD 297.5mn.

We expect the market to remain range-bound in the near-term amid lack of positive triggers, as investors remain concerned about the political uncertainty, coupled with expected economic slowdown due to the recent floods. However, our longer-term equity outlook remains positive due to attractive valuations. Positive triggers in the medium-term can be in the form of realization of flows and grants from multilateral sources, which would provide strength to the Rupee. In the medium- to long-term, reversal in international commodity prices, either on the back of disruption in demand or increase in supply, is likely to reignite investor interest in equities.

MONEY MARKET REVIEW

During 1QFY23, SBP, in an attempt to curb inflation as a result of the Russia-Ukraine war, increased the Policy Rate by 125bps to 15%. The hike was inevitable, given persistently high global energy prices, the abrupt ending of fuel subsidies and the need to control demand.

The cut-off yields in the last T-bills auction were 15.9999%, 15.9998%, and 15.9900% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 13.92%, 13.39%, and 12.95% in 3Y, 5Y and 10Y tenors, respectively, while no bids were received in 15Y, 20Y and 30Y tenors.

A GOP Ijara Sukuk auction was held on 22-Sep-22, with a target of PKR 100bn (PKR 25bn for Fixed Rental and PKR 75bn for Variable Rental Rate) for a period of 5 years. The Ministry of Finance accepted bids worth PKR 0.77bn (at 12.9029%) in FRR Sukuk, and PKR 18.48bn (at 13.61%) in VRR Sukuk.

The latest hike in the Policy Rate to 15% is expected to help moderate demand to a more sustainable pace, while keeping inflation expectations anchored, and containing risks to external stability. We believe high international commodity prices, along with reform measures under the IMF program, and recent crop and infrastructure damage caused by the floods, will translate adversely in CPI, based on which further hike in interest rate cannot be ruled out. However, possibility of further rate hike is very low under the current political environment.

FUTURE OUTLOOK

Moving ahead, we expect economic growth to slow down to 1.5-2.0% in FY23 on the back of fiscal consolidation by the government, along with disruption in agricultural activities due to the ongoing floods. Focus would remain on how the government keeps economic growth at a sustainable level, while keeping the external and fiscal accounts in check.

On the fiscal side, the government initially targeted a Fiscal deficit of PKR 3.80tn (~4.6% of GDP) in FY23 on the back of ~20% increase in FBR's tax collection to PKR 7.4tn, along with increase in collection of PDL to PKR 550bn. However, however, we believe that Fiscal Deficit may clock in the range of 6.0-6.5% due to the required spending on rehabilitation efforts after the recent floods.

On the fixed income front, we believe that gradual imposition of PDL on fuel, along with hike in electricity and gas tariffs, will translate adversely in CPI. Resultantly, we expect average inflation for FY23 to be in the range of 20-22%. However, inflation is expected to taper down from FY24 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimates remain in the form of elevated international commodity prices for an extended period due to geopolitical concerns.

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 4.2x compared to regional average of 13.9x, and offers an attractive dividend yield of 9.8%, compared to regional average of 3.1%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is ~13%, compared to 5-year historical average spread of 4.9%, which implies upside of ~56%. 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 a total and income of Rs. 25.94 million and Rs. 23.44 million respectively during the period under review. The fund size decreased from Rs. 831.41 million as on June 30, 2022 to Rs. 708.33 million as at September 30, 2022 thereby showing a decline of 15% during the period under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund incurred a total and net loss of Rs. 0.60 million and Rs. 1.61 million respectively. The net assets of the Equity sub-fund was Rs. 61.59 million representing Net Asset Value (NAV) of Rs. 305.5021 per unit as at September 30, 2022. The Sub Fund yielded a negative return of 2.28% for the period under review. The Fund is invested to the extent of 84% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 10.55 million and Rs. 9.83 million respectively. The net assets of the Debt sub-fund was Rs. 266.23 million representing Net Asset Value (NAV) of Rs. 245.2282 per unit as at September 30, 2022. The Fund yielded annualized return of 14.78% 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. 16.00 million and Rs. 15.23 million respectively. The net assets of the Money Market sub-fund was Rs. 380.50 million representing Net Asset Value (NAV) of Rs. 214.2086 per unit as at September 30, 2022. An annualized return of 16.06% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

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

The Fund as a whole earned a total and net income of Rs. 7.23 million and Rs. 5.55 million respectively during the period under review. The fund size decreased from Rs. 343.34 million as at June 30, 2022 to Rs. 318.80 million as at September 30, 2022 showing a decrease of 7%. 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. 1.09 million and Rs. 2.21 million respectively. The net assets of the Equity sub-fund was Rs. 77.31 million representing Net Asset Value (NAV) of Rs. 343.5757 per unit as at September 30, 2022. The Fund yielded a negative return of 2.69% for the period. The Sub Fund is invested to the extent of 91% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 4.32 million and Rs. 3.99 million respectively. The net assets of the Debt sub-fund was Rs. 123.47 million representing Net Asset Value (NAV) of Rs. 193.9321 per unit as at September 30, 2022. The Fund yielded annualized return of 13.91% 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. 4.00 million Rs. 3.76 million respectively. The net assets of the Money Market sub-fund was Rs. 118.01 million representing Net Asset Value (NAV) of Rs. 188.9691 per unit as at September 30, 2022. An annualized return of 14.23% was earned by the Fund for the period under review.

Acknowledgement

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

HBL

Pension Fund

FUND INFORMATION

Name of Fund	HBL Pension Fund
Name of Auditor	Yousuf Adil & Co., Chartered Accountants
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited NIB Bank Limited Sindh Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited

HBL Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)									
ASSETS									
Bank balances	4	6,802	157,096	301,154	465,052	3,321	229,087	358,775	591,183
Investments - net	5	58,293	99,370	67,953	225,616	127,901	60,896	37,522	226,319
Dividend receivable and accrued mark-up		486	8,872	12,459	21,817	144	5,809	7,818	13,771
Advances, deposits, prepayments and other receivables		3,408	2,336	216	5,960	3,421	414	171	4,006
Total assets		68,989	267,674	381,782	718,445	134,787	296,206	404,286	835,279
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager		107	354	171	632	411	195	174	780
Payable to the Central Depository Company of Pakistan Limited - Trustee		42	76	113	231	25	43	61	129
Payable to the Securities and Exchange Commission of Pakistan		7	17	24	48	49	55	76	180
Accrued expenses and other liabilities	6	7,239	997	972	9,208	869	967	940	2,776
Total liabilities		7,395	1,444	1,280	10,119	1,354	1,260	1,251	3,865
NET ASSETS		61,594	266,230	380,502	708,326	133,433	294,946	403,035	831,414
PARTICIPANTS' SUB-FUNDS (as per statement attached)		61,594	266,230	380,502	708,326	133,433	294,946	403,035	831,414
Contingencies and commitments									
Number of units in issue	7	201,617	1,085,643	1,776,315		426,826	1,247,541	1,957,660	
----- Rupees -----									
Net asset value per unit		305.5021	245.2282	214.2086		312.6181	236.4216	205.8763	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Income Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended ended September 30, 2022				Three months ended ended September 30, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
Income								
Dividend income	1,925	-	-	1,925	1,747	-	-	1,747
Profit on bank deposits	144	7,722	12,713	20,579	88	889	3,651	4,628
Mark-up / return on investments	-	3,228	3,303	6,531	-	2,873	1,827	4,700
Capital (loss) / gain on sale of investments - net	(19,404)	5	(28)	(19,427)	1,663	318	72	2,053
Unrealized (loss) / gain on revaluation of investments at fair value through profit or loss	16,735	(408)	-	16,327	(25,752)	(901)	(24)	(26,677)
	(600)	10,547	15,988	25,935	(22,254)	3,179	5,526	(13,549)
Expenses								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	566	551	533	1,650	900	828	1,165	2,893
Remuneration of Central Depository Company of Pakistan Limited - Trustee	47	115	164	326	90	83	117	290
Annual fee to the Securities and Exchange Commission of Pakistan	7	17	24	48	13	12	17	42
Auditors' remuneration	45	37	36	118	30	29	28	87
Other expenses	-	-	-	-	109	9	10	128
Settlement and bank charges	348	1	1	350	95	-	2	97
	1,013	721	758	2,492	1,237	961	1,339	3,537
Net (loss) / income from operating activities	(1,613)	9,826	15,230	23,443	(23,491)	2,218	4,187	(17,086)
Reversal / (Provision) for Sindh Workers' Welfare Fund	6.2	-	-	-	3,040	1,501	923	5,464
Net (loss) / income for the period before taxation	(1,613)	9,826	15,230	23,443	(20,451)	3,719	5,110	(11,622)
Taxation	8.	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(1,613)	9,826	15,230	23,443	(20,451)	3,719	5,110	(11,622)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(1,613)	9,826	15,230	23,443	(20,451)	3,719	5,110	(11,622)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Statement Of Movement In Participants Sub Funds (Un-audited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended ended September 30, 2022				Three months ended ended September 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)				(Rupees in '000)			
Net assets at beginning of the period	133,433	294,946	403,035	831,414	199,643	198,416	285,178	683,237
Amount received on issuance of units	21,064	29,795	96,269	147,128	15,956	18,809	34,714	69,479
Amount paid on redemption of units	(91,290)	(68,337)	(134,032)	(293,659)	(8,492)	(15,669)	(15,114)	(39,275)
Net income for the period	(1,613)	9,826	15,230	23,443	(20,451)	3,719	5,110	(11,622)
Total comprehensive (loss) / income for the period	(1,613)	9,826	15,230	23,443	(20,451)	3,719	5,110	(11,622)
Net assets at end of the period	61,594	266,230	380,502	708,326	186,656	205,275	309,888	701,819

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended ended September 30, 2022			Three months ended ended September 30, 2021				
	Equity Sub-Fund	Debt Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Total		
	(Rupees in '000)			(Rupees in '000)				
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the period before taxation	(1,613)	9,826	15,230	23,443	(20,451)	3,719	5,110	(11,622)
Adjustments:								
Unrealized (loss) / gain on revaluation of investments at fair value through 'profit or loss'	(16,735)	408	-	(16,327)	25,752	901	24	26,677
	(3,538)	10,234	15,230	38,253	5,301	4,620	5,134	(8,582)
(Increase) / decrease in assets								
Investments - net	86,343	(38,882)	(30,431)	17,030	(4,834)	71,982	136,454	203,602
Dividend & profit receivable	(342)	(3,063)	(4,641)	(8,046)	(741)	934	(1,594)	(1,401)
Advances, deposits, prepayments and other receivables	13	(1,922)	(45)	(1,954)	(7,131)	-	(31)	(7,162)
	86,014	(43,867)	(35,117)	7,030	(12,706)	72,916	134,829	195,039
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	(304)	159	(3)	(148)	(14)	(8)	28	6
Payable to Central Depository Company of Pakistan Limited - Trustee	17	33	52	102	-	2	6	8
Payable to the Securities and Exchange Commission of Pakistan	(42)	(38)	(52)	(132)	(41)	(37)	(29)	(107)
Accrued expenses and other liabilities	6,370	30	32	6,432	(8,995)	(1,903)	(1,735)	(12,633)
	6,041	184	29	6,254	(9,050)	(1,946)	(1,730)	(12,726)
	73,707	(33,449)	(19,858)	36,727	(16,455)	75,590	138,233	173,731
Net cash (used in) / generated from operating activities	73,707	(33,449)	(19,858)	36,727	(16,455)	75,590	138,233	173,731
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	6,254	29,795	96,269	132,318	15,956	18,809	34,714	69,479
Amount paid on redemption of units	(91,290)	(68,337)	(134,032)	(293,659)	(8,492)	(15,669)	(15,114)	(39,275)
Reallocation among Sub-Funds	-	-	-	-	-	-	-	-
Net cash (used in) / generated from financing activities	(70,226)	(38,542)	(37,763)	(146,531)	7,464	3,140	19,600	30,204
Net increase / (decrease) in cash and cash equivalents	3,481	(71,991)	(57,621)	(126,131)	(8,991)	78,730	157,833	227,572
Cash and cash equivalents at beginning of the period	3,321	229,087	358,775	591,183	11,229	75,173	105,269	191,671
Cash and cash equivalents at end of the period	6,802	157,096	301,154	465,052	2,238	153,903	263,102	419,243

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4. BANK BALANCES

Note	September 30, 2022 (Unaudited)				June 30, 2022 (Audited)				
	Equity	Debt	Money	Total	Equity	Debt	Money	Total	
	Sub-Fund	Sub-Fund	Market Sub-Fund		Sub-Fund	Sub-Fund	Market Sub-Fund		
Savings accounts	4.1	6,802	157,096	301,154	465,052	3,321	229,087	358,775	591,183
		6,802	157,096	4,380	168,278	3,321	229,087	358,775	591,183

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 5% to 16.50% per annum (June 30, 2022: 5.50% - 17.5% per annum).

5. INVESTMENTS - NET

Note	Sep 30, 2022 (Unaudited)				June 30, 2022 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) ----- (Rupees in '000) -----								

Investments by category

At Fair value through Profit

or Loss

Listed equity securities	5.1	58,293	-	-	58,293	127,901	-	-	127,901
Government Securities	5.2	-	-	-	-	-	-	-	-
Term Finance Certificates and Sukuks	5.3	-	82,432	55,000	137,432	-	44,520	25,000	69,520
		58,293	82,432	55,000	195,725	127,901	44,520	25,000	197,421

At Ammortized Cost

Commercial papers	5.4	-	16,938	12,953	29,891	-	16,376	12,522	28,898
		58,293	99,370	67,953	225,616	127,901	60,896	37,522	226,319

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

Held by Equity Sub-Fund

Name of the Investee Company	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at Sep 30, 2022	Market value as at Sep 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
----- (Number of Shares) ----- (%) -----									
AUTOMOBILE ASSEMBLER									
Millat Tractors Limited	-	500	-	500	-	-	0.00%	0.00%	0.00%
	-	500	-	500	-	-	0.00%	0.00%	0.00%
CEMENT									
D.G.Khan Cement Company Limited	-	61,000	-	45,500	15,500	940	1.61%	1.53%	0.01%
Kohat Cement Limited	6,000	-	-	1,500	4,500	720	1.24%	1.17%	0.01%
Lucky Cement Limited	-	7,400	-	4,300	3,100	1,539	2.64%	2.50%	0.02%
Attock Cement Pakistan Limited	46,000	3,000	-	23,700	25,300	2,064	3.54%	3.35%	0.02%
Fauji Cement Company Limited	-	154,000	-	21,000	133,000	1,994	3.42%	3.24%	0.02%
Pioneer cement limited	-	16,000	-	16,000	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	-	93,500	-	20,000	73,500	2,048	3.51%	3.32%	0.01%
	52,000	334,900	-	132,000	254,900	9,305	15.96%	15.11%	0.09%

Name of the Investee Company	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at Sep 30, 2022	Market value as at Sep 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
CHEMICAL									
Engro Polymer and Chemicals Limited	16,000	-	-	16,000	-	-	0.00%	0.00%	0.00%
I.C.I Pakistan Limited	-	500	-	-	500	333	0.57%	0.54%	0.01%
	<u>16,000</u>	<u>500</u>	<u>-</u>	<u>16,000</u>	<u>500</u>	<u>333</u>	<u>0.57%</u>	<u>0.54%</u>	<u>0.01%</u>
COMMERCIAL BANKS									
Bank Al-Falah Limited	85,446	65,000	-	81,000	69,446	2,163	3.71%	3.51%	0.01%
Bank Al-Habib Limited	45,500	-	-	22,600	22,900	1,237	2.12%	2.01%	0.01%
Habib Bank Limited (related party)	62,963	50,000	-	62,963	50,000	3,486	5.98%	5.66%	0.07%
Faysal Bank Limited	197,840	-	-	127,000	70,840	1,865	3.20%	3.03%	0.03%
MCB Bank Limited	34,935	-	-	24,400	10,535	1,259	2.16%	2.04%	0.01%
Mezan Bank Limited	-	22,500	-	-	22,500	2,469	4.24%	4.01%	0.06%
Habib Metro Metropolitan Limited	52,500	-	-	24,000	28,500	971	1.67%	1.58%	0.01%
Standard Chartered Bank (Pakistan) Limited	210,000	-	-	178,500	31,500	661	1.13%	1.07%	0.01%
United Bank Limited	79,491	10,000	-	63,000	26,491	3,044	5.22%	4.94%	0.01%
	<u>768,675</u>	<u>147,500</u>	<u>-</u>	<u>583,463</u>	<u>332,712</u>	<u>17,155</u>	<u>29.43%</u>	<u>27.85%</u>	<u>0.22%</u>
ENGINEERING									
Mughal Iron and Steel Industries Limited	32,944	332	-	32,500	776	51	0.09%	0.08%	0.01%
	<u>32,944</u>	<u>332</u>	<u>-</u>	<u>32,500</u>	<u>776</u>	<u>51</u>	<u>0.09%</u>	<u>0.08%</u>	<u>0.01%</u>
FERTILIZER									
Engro Fertilizers Limited	15,000	-	-	15,000	-	-	-	-	-
Engro Corporation Limited	49,100	17,000	-	40,100	26,000	6,020	10.33%	9.77%	0.09%
Fauji Fertilizer Company Limited	83,400	-	-	58,200	25,200	2,553	4.38%	4.14%	0.05%
	<u>147,500</u>	<u>17,000</u>	<u>-</u>	<u>113,300</u>	<u>51,200</u>	<u>8,573</u>	<u>14.71%</u>	<u>13.91%</u>	<u>0.14%</u>
INSURANCE									
IGI Holdings Limited	12,300	-	-	12,300	-	-	0.00%	0.00%	0.00%
	<u>12,300</u>	<u>-</u>	<u>-</u>	<u>12,300</u>	<u>-</u>	<u>-</u>	<u>0.72%</u>	<u>0.71%</u>	<u>0.00%</u>
OIL AND GAS EXPLORATION COMPANIES									
Mari Petroleum Company Limited	1,834	757	-	-	2,591	4,054	6.95%	6.58%	0.01%
Oil and Gas Development Company Limited	131,600	11,500	-	97,500	45,600	3,453	5.92%	5.61%	0.06%
Pakistan Oilfields Limited	9,775	2,500	-	9,775	2,500	873	1.50%	1.42%	0.04%
Pakistan Petroleum Limited	95,300	79,000	-	143,500	30,800	1,893	3.25%	3.07%	0.02%
	<u>238,509</u>	<u>93,757</u>	<u>-</u>	<u>250,775</u>	<u>81,491</u>	<u>10,273</u>	<u>17.62%</u>	<u>16.68%</u>	<u>0.13%</u>
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited	39,377	-	-	35,377	4,000	650	1.12%	1.06%	0.03%
Sui Northern Gas Pipelines Limited	-	33,300	-	33,300	-	-	0.00%	0.00%	0.00%
	<u>39,377</u>	<u>33,300</u>	<u>-</u>	<u>68,677</u>	<u>4,000</u>	<u>650</u>	<u>1.12%</u>	<u>1.06%</u>	<u>0.03%</u>
MISCELLANEOUS									
TPL Properties Limited	50,500	86,000	-	109,000	27,500	573	0.98%	0.93%	0.01%
	<u>50,500</u>	<u>86,000</u>	<u>-</u>	<u>109,000</u>	<u>27,500</u>	<u>573</u>	<u>0.98%</u>	<u>0.93%</u>	<u>0.01%</u>
PHARMACEUTICALS									
Highnoon Laboratories Limited	2,149	-	-	2,100	49	26	0.04%	0.04%	0.02%
The Searle Company Limited	15,538	-	-	15,000	538	55	0.09%	0.09%	0.03%
	<u>17,687</u>	<u>-</u>	<u>-</u>	<u>17,100</u>	<u>587</u>	<u>81</u>	<u>0.13%</u>	<u>0.13%</u>	<u>0.05%</u>
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	92,140	-	-	55,000	37,140	2,596	4.45%	4.21%	0.06%
Nishat Power Limited	-	59,000	-	59,000	-	-	0.00%	0.00%	0.00%
	<u>92,140</u>	<u>59,000</u>	<u>-</u>	<u>114,000</u>	<u>37,140</u>	<u>2,596</u>	<u>4.45%</u>	<u>4.21%</u>	<u>0.06%</u>
FOOD AND PERSONAL CARE PRODUCTS									
The Organic Meat Limited	137,816	-	-	137,816	-	-	0.00%	0.00%	0.00%
Unity Foods Limited	129,500	28,500	-	109,500	48,500	1,094	1.88%	1.78%	0.02%
	<u>267,316</u>	<u>28,500</u>	<u>-</u>	<u>247,316</u>	<u>48,500</u>	<u>1,094</u>	<u>1.88%</u>	<u>1.78%</u>	<u>0.02%</u>
REFINERY									
Attock Refinery Limited	16,500	2,100	-	10,300	8,300	1,222	2.10%	1.98%	0.01%
National Refinery Limited	8,750	-	-	3,300	5,450	1,327	2.28%	2.15%	0.01%
	<u>25,250</u>	<u>2,100</u>	<u>-</u>	<u>13,600</u>	<u>13,750</u>	<u>2,549</u>	<u>4.38%</u>	<u>4.13%</u>	<u>0.02%</u>
TECHNOLOGY & COMMUNICATION									
Avanceon Limited	18,125	18,500	-	11,625	25,000	1,857	3.19%	3.01%	0.01%
TPL Trakker Limited	361,500	-	-	-	361,500	3,203	5.49%	5.20%	0.19%
	<u>379,625</u>	<u>18,500</u>	<u>-</u>	<u>11,625</u>	<u>386,500</u>	<u>5,060</u>	<u>8.68%</u>	<u>8.21%</u>	<u>0.20%</u>
TEXTILE COMPOSITE									
Gul Ahmed Textile Mills Limited	36,300	-	-	36,300	-	-	0.00%	0.00%	0.00%
Kohinoor Textile Mills Limited	27,500	-	-	27,500	-	-	0.00%	0.00%	0.00%
Interloop Limited	20,797	-	-	20,797	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	18,500	-	-	18,500	-	-	0.00%	0.00%	0.00%
	<u>103,097</u>	<u>-</u>	<u>-</u>	<u>103,097</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total as at September 30, 2022	2,242,920	821,889	-	1,825,253	1,239,556	58,293			
Carrying Value at at September 30, 2022						41,558			
Total as at June 30, 2022					2,242,920	127,901			

** Investments include 5,000 shares having market value Rs. 14.232 million, that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.1 Finance Act, 2014 had 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, has filed a petition in 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 mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 0.16 million at September 30, 2022 (June 30, 2022: Rs. 0.187 million) and not yet deposited on CDC account of department of Income tax. Pension Fund Manager is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at period end.

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

5.2.1 Held by Debt Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value			As at September 30, 2022	Carrying Value as at September 30, 2022	Market value as at September 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / matured during the period				Total investments of the sub-fund	Net assets of the sub-fund
----- (Rupees in '000) -----									
Treasury Bill - 6 months	April 21, 2022	-	90,000	90,000	-	-	-	-	-
Treasury Bill - 3 months	July 28, 2022	-	529,400	529,400	-	-	-	-	-
Treasury Bill - 3 months	August 25, 2022	-	75,000	75,000	-	-	-	-	-
Treasury Bill - 3 months	June 30, 2022	-	98,200	98,200	-	-	-	-	-
		-	792,600	792,600	-	-	-	-	-

5.2.2 Held by Money Market Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value			As at Sep 30, 2022	Carrying Value as at September 30, 2022	Market value as at September 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / matured during the period				Total investments of sub-fund	Net assets of sub-fund
----- (Rupees in '000) -----									
Treasury Bill - 6 months	April 21, 2022	-	290,000	290,000	-	-	-	-	-
Treasury Bill - 3 months	July 28, 2022	-	1,807,500	1,807,500	-	-	-	-	-
Treasury Bill - 3 months	June 30, 2022	-	301,500	301,500	-	-	-	-	-
		-	2,399,000	2,399,000	-	-	-	-	-

5.3 Term Finance Certificates and Sukuk bonds - At fair value through Profit or loss

5.3.1 Held by Debt Sub-Fund

Name of the investee company	Maturity Date	Number of certificates				Carrying Value as at September 30, 2021	Market value as at September 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / Matedured during the period	As at September 30, 2022			Total investments of the sub-fund	Net assets of the sub-fund
		--- (Rupees in '000) ---						----- % -----	
Bank of Punjab	23-Dec-26	60	-	-	60	6,250	5,987	6.02	2.25
Bank Alfalah Limited	15-Jan-24	2,400	-	-	2,400	11,060	10,977	11.05	4.12
Hub Power Company Limited	27-Oct-22	50	-	-	50	5,000	5,000	5.03	1.88
Pak Elektron Limited	15-Nov-23	12	-	-	12	11,924	11,862	11.94	4.46
Jahangir Siddiqui and Company Limite	6-Mar-23	2,000	-	-	2,000	3,469	3,468	3.49	1.30
TPL Trakker Limited	30-Mar-26	40	-	-	40	3,127	3,111	3.13	1.17
OBS AGP	15-Jul-26	20	-	-	20	2,010	2,027	2.04	0.76
China Power Hub Company Limited	28-Jan-23	-	8	-	8	8,000	8,000	8.05	3.00
K-Electric Limited	10-Feb-23	-	22	-	22	22,000	22,000	22.14	8.26
Lucky Power Generation Company Ltd	28-Mar-23	-	10	-	10	10,000	10,000	10.06	3.76
		4,582	40	-	4,622	82,840	82,432	82.95	30.96

5.3.2 Held by Money Market Sub-Fund

Name of the investee company	Maturity Date	Number of certificates				Carrying Value as at September 30, 2021	Market value as at September 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / Matedured during the period	As at September 30, 2022			Total investments of the sub-fund	Net assets of the sub-fund
		--- (Rupees in '000) ---						----- % -----	
K-Electric Limited	13-Oct-22	25	-	-	25	25,000	25,000	36.79	6.57
China Power Hub Company Limited	28-Jan-23	-	22	-	22	22,000	22,000	32.38	5.78
K-Electric Limited	10-Feb-23	-	8	-	8	8,000	8,000	11.77	2.10
		25	30	-	55	55,000	55,000	80.94	14.45

5.4 Commercial Paper - at Ammortized Cost

5.4.1 Held by Debt Sub Fund

Name of Company	Maturity Date	As at July 1, 2022	Placement made during the period	Matured during the period	As at Sep 30, 2022	Carrying amount as at Sep 30, 2022	Percentage of total value of investments	Percentage of Net Assets
China Power Hub Company Limited	10-Oct-22	17,000	-	-	17,000	16,938	17.05	6.36
		17,000	-	-	17,000	16,938	17.05	6.36

5.4.2 Held by Money Market Sub Fund

Name of Company	Maturity Date	As at July 1, 2022	Placement made during the period	Matured during the period	As at Sep 30, 2022	Carrying amount as at Sep 30, 2021	Percentage of total value of investments	Percentage of Net Assets
China Power Hub Company Limited	10-Oct-22	13,000	-	-	13,000	12,953	19.06	3.40
		13,000	-	-	13,000	12,953	19.06	3.40

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	----- (Rupees in '000) -----				----- (Rupees in '000) -----				
Auditors' remuneration	114	113	134	361	69	77	98	244	
Payable against purchase of investments	-	-	-	-	32	-	-	32	
Payable against redemption of units	6,312	-	-	6,312	-	-	-	-	
Federal Excise Duty	6.1	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Welfare Fund	6.2	-	-	-	-	-	-	-	-
Other payable	50	6	2	58	5	12	6	23	
	7,239	997	972	9,208	869	967	940	2,776	

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 13.1 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

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 interalia 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.

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2017.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 0.763 million, 0.878 million and 0.836 million (June 30, 2022: 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 Sep 30, 2022 would have been higher by Rs. 3.78, Rs. 0.81 and Rs. 0.47 (June 30, 2022: Rs. 1.79, Rs. 0.70 and Rs. 0.43) per unit respectively. However after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

6.2 PROVISION FOR WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, 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. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (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 (EOGM) 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.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 3.10 million , 1.53 million , 0.94 million of Pension Equity Sub Fund, Pension Debt Sub Fund & Pension Money Market Sub Fund for the period from July 1, 2014 till August 12, 2021.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

8. TAXATION

No provision for taxation for the period ended September 30, 2022, has been made in the view of exemption available under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

9. TRANSACTIONS WITH CONNECTED PERSONS

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

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

9.1 Transactions during the period

	Three months ended ended September 30, 2022				Three months ended ended September 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)-----				------(Rupees in '000)-----			
HBL Asset Management Limited - Pension Fund Manager								
Management fee	566	551	533	1,650	900	828	1,165	2,893
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	8	17	15	40	177	228	320	725
Redemption of units	Units	122,239	-	-	122,239	-	-	-
Amount of units Redeemed	Amount	37,955	-	-	37,955	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	47	115	164	326	90	83	117	290
Directors and their relatives								
Issuance of units	Units	-	7,048	7,048	-	-	-	-
Amount of Issuance	Amount	-	1,475	1,475	-	-	-	-
Redemption of units	Units	2,055	2,285	223	4,563	-	-	-
Amount of units Redeemed	Amount	631	560	47	1,238	-	-	-

9.2 Balances outstanding as at period end

	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	------(Rupees in '000)-----				------(Rupees in '000)-----				
HBL Asset Management Limited - Pension Fund Manager									
Management fee payable	257	243	348	848	364	173	154	691	
Sindh Sales Tax payable	33	32	45	110	47	22	20	89	
Habib Bank Limited - Sponsor									
Units held	Units	-	-	-	122,239	-	-	122,239	
Amount of units held	Amount	-	-	-	38,214	-	-	38,214	
Balance in savings account	775	4,735	4,325	9,835	2,396	228,741	358,548	589,685	
Directors and Executives of the Pension Fund Manager and their relatives									
Directors and their relatives									
Units held	Units	13,482	49,239	26,554	89,275	15,537	51,524	19,729	86,790
Amount of units held	Amount	4,119	12,075	5,688	21,882	4,863	12,160	4,064	21,087
Executives and their relatives									
Units held	Units	2,098	2,226	-	4,324	2,098	2,226	-	4,324
Amount of units held	Amount	641	546	-	1,187	657	525	-	1,182
Central Depository Company of Pakistan Limited - Trustee									
Remuneration payable	42	76	113	231	22	38	54	114	
Security deposit receivable	100	100	100	300	100	100	100	300	
Directors of Connected Persons									
Units held	Units	1,727	1,514	138,659	141,900	1,727	1,514	138,659	141,900
Amount of units held	Amount	528	371	29,702	30,601	541	357	28,546	29,444

10 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3)

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

		September 30, 2022					
		Carrying Amount			Fair Value		
	Fair Value through profit and loss	At Amortized Cost	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
Note	----- (Rupees in '000) -----						
On-balance sheet financial instruments							
Financial assets measured at fair value							
	Investments						
	- Listed equity securities	4.1	58,293	-	58,293	58,293	58,293
	- Treasury Bills		-	-	-	-	-
	Term Finance Certificates and Sukuk Bonds - Unlisted		137,432	-	137,432	137,432	137,432
			<u>195,725</u>	<u>-</u>	<u>195,725</u>	<u>58,293</u>	<u>195,725</u>
	Financial assets not measured at fair value	9.1					
	Bank balances		-	465,052	465,052	-	-
	Investments						
	Dividend receivable and accrued mark-up		-	21,817	21,817	-	-
	Commercial Paper			29,891	29,891	-	-
	Advances, deposits, prepayments and other receivables		-	5,960	5,960	-	-
			<u>-</u>	<u>522,720</u>	<u>522,720</u>	<u>-</u>	<u>-</u>

September 30, 2022

	Carrying Amount			Fair Value			
	Fair Value through profit and loss	Loans and receivables	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
Note	----- (Rupees in '000) -----						
Financial liabilities not measured at fair value							
Payable to the Pension Fund Manager	-	-	559	559	-	-	-
Payable to the Trustee	-	-	204	204	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	48	48	-	-	-
Accrued expenses and other liabilities	-	-	6,731	6,731	-	-	-
Participants' Sub Funds	-	-	708,326	708,326	-	-	-
	-	-	715,868	715,868	-	-	-

June 30, 2022

	Carrying Amount			Fair Value			
	Fair Value through profit and loss	At Amortized Cost	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
Note	----- (Rupees in '000) -----						
On-balance sheet financial instruments							
Financial assets measured at fair value							
Investments	5						
- Listed equity securities	127,901	-	-	127,901	127,901	-	127,901
- Treasury Bills	-	-	-	-	-	-	-
Term Finance Certificates and Sukuk Bonds - Unlisted	69,520	-	-	69,520	-	69,520	69,520
	197,421	-	-	197,421	127,901	69,520	197,421

Financial assets not measured at fair value

Bank balances	-	591,183	-	591,183	-	-	-
-Dividend Receivables and accrued markup	-	13,771	-	13,771	-	-	-
Advances, deposits, prepayments and other receivables	-	4,006	-	4,006	-	-	-
Commercial Paper	-	28,898	-	28,898	-	-	-
	-	637,858	-	637,858	-	-	-

June 30, 2022

	Carrying Amount			Fair Value			
	Fair Value through profit and loss	At amortized Cost	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
Note	----- (Rupees in '000) -----						
Financial liabilities not measured at fair value							
Payable to the Pension Fund Manager	-	-	780	780	-	-	-
Payable to the Trustee	-	-	129	129	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	180	180	-	-	-
Accrued expenses and other liabilities	-	-	1,199	1,199	-	-	-
Participants' Sub Funds	-	-	831,414	831,414	-	-	-
	-	-	833,702	833,702	-	-	-

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

11. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 19, 2022.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Pension Fund

FUND INFORMATION

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

HBL Islamic Pension Fund

Condensed Interim Balance Sheet

AS AT SEPTEMBER 30, 2022

	September 30, 2022 (Un-Audited)				June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	(Rupees in '000)				(Rupees in '000)				
ASSETS									
Bank balances	4	3,732	87,454	92,859	184,045	4,065	88,713	88,027	180,805
Investments - net	5	72,871	37,360	25,000	135,231	127,886	20,842	10,000	158,728
Dividend receivable and accrued mark-up		343	2,466	3,823	6,632	187	2,017	1,815	4,019
Advances, deposits, prepayments and other receivables		2,726	212	125	3,063	2,780	142	114	3,036
Total assets		79,672	127,492	121,807	328,971	134,918	111,714	99,956	346,588
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager		127	82	54	263	368	72	45	485
Payable to the Central Depository Company of Pakistan Limited - Trustee		15	19	18	52	24	17	15	56
Payable to the Securities and Exchange Commission of Pakistan		8	7	7	22	44	24	19	87
Accrued expenses and other liabilities	6	2,216	3,908	3,715	9,839	1,380	715	522	2,617
Total liabilities		2,366	4,016	3,794	10,176	1,816	828	601	3,245
NET ASSETS		77,306	123,476	118,013	318,795	133,102	110,886	99,355	343,343
PARTICIPANTS' SUB-FUNDS (as per statement attached)		77,306	123,476	118,013	318,795	133,102	110,886	99,355	343,343
Contingencies and commitments									
Number of units in issue	7	225,004	636,695	624,509		376,992	591,819	544,634	
		Rupees				Rupees			
Net asset value per unit		343.5757	193.9321	188.9691		353.0630	187.3649	182.4250	

The annexed notes 1 to 12 form an integral part of financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Income Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended September 30, 2022				Three months ended September 30, 2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
Income								
Dividend income	1,794	-	-	1,794	905	-	-	905
Profit on bank deposits and Term Deposit	199	3,161	3,217	6,577	75	553	791	1,419
Mark-up / return on investments	-	1,272	779	2,051	-	979	254	1,233
Capital (loss) / gain on sale of investments	(13,487)	(36)	-	(13,523)	1,106	582	157	1,845
	(11,494)	4,397	3,996	(3,101)	2,086	2,114	1,202	4,169
Unrealized (loss) / gain on investment classified as 'held for trading'	10,412	(77)	-	10,335	(18,151)	11	-	(18,140)
	(1,082)	4,320	3,996	7,234	(16,065)	2,125	1,202	(13,971)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	613	236	147	996	825	373	271	1,469
Remuneration of Central Depository Company of Pakistan Limited - Trustee	51	49	45	145	83	37	27	147
Annual fee to the Securities and Exchange Commission of Pakistan	8	7	7	22	12	6	4	22
Auditors' remuneration	46	34	37	117	41	25	19	85
Settlement and bank charges	406	-	-	406	-	4	-	4
Other expenses	-	-	-	-	106	10	10	126
	1,124	326	236	1,686	1,067	455	331	1,853
Net (loss) / income from operating activities	(2,206)	3,994	3,760	5,548	(17,132)	1,670	871	(15,824)
Reversal / (Provision) for Sindh Workers' Welfare Fund	6.2	-	-	-	3,077	381	282	-
Net income / (loss) for the period before taxation	(2,206)	3,994	3,760	5,548	(14,055)	2,051	1,153	(15,824)
Taxation	8.	-	-	-	-	-	-	-
Net income / (loss) for the period after taxation	(2,206)	3,994	3,760	5,548	(14,055)	2,051	1,153	(15,824)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	(2,206)	3,994	3,760	5,548	(14,055)	2,051	1,153	(15,824)

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Statement Of Movement In Participants' Sub Funds (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended September 30, 2022				Three months ended September 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)				(Rupees in '000)			
Net assets at beginning of the period	133,102	110,886	99,355	343,343	133,102	110,886	99,355	343,343
Amount received on issuance of units	1,352	24,236	27,428	53,016	3,601	4,737	11,120	19,458
Amount paid on redemption of units	(54,942)	(15,640)	(12,530)	(83,112)	(5,416)	(5,532)	(10,587)	(21,535)
Net income / (loss) for the period	(2,206)	3,994	3,760	5,548	(14,055)	2,051	1,153	(10,851)
Total comprehensive income for the period	(2,206)	3,994	3,760	5,548	(14,055)	2,051	1,153	(10,851)
Net assets at end of the period	77,306	123,476	118,013	318,795	117,232	112,142	101,041	330,415

The annexed notes 1 to 12 form an integral part of financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

	Three months ended September 30, 2022				Three months ended September 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)-----				------(Rupees in '000)-----			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period before taxation	(2,206)	3,994	3,760	5,548	(14,055)	2,051	1,153	(10,851)
Investments - net	55,015	(16,518)	(15,000)	23,497	(37,586)	2,592	2,274	(32,720)
Dividend and profit receiveable	(156)	(449)	(2,008)	-	(863)	1,311	1,020	-
Advances, deposits, prepayments and other receivables	54	(70)	(11)	(27)	(1,268)	(205)	(19)	(1,492)
	54,913	(17,037)	(17,019)	23,470	(39,717)	3,698	3,275	(34,212)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	(241)	10	9	(222)	(107)	50	45	(12)
Payable to Central Depository Company of Pakistan Limited - Trustee	(9)	2	3	(4)	5	(3)	4	6
Payable to Securities and Exchange Commission of Pakistan	(36)	(17)	(12)	(65)	(32)	(18)	(15)	(65)
Accrued expenses and other liabilities	836	3,193	3,193	7,222	88	54	40	182
	550	3,188	3,193	6,931	(46)	83	74	111
	53,257	(9,855)	(10,066)	35,949	(53,818)	5,832	4,502	(44,952)
Net cash (used in) / generated from operating activities	53,257	(9,855)	(10,066)	35,949	(53,818)	5,832	4,502	(44,952)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	1,352	24,236	27,428	53,016	3,601	4,737	11,120	19,458
Amount paid on redemption of units	(54,942)	(15,640)	(12,530)	(83,112)	(5,416)	(5,532)	(10,587)	(21,535)
Reallocation among Sub-Funds	-	-	-	-	-	-	-	-
Net cash generated from / (used in) financing activities	(53,590)	8,596	14,898	(30,096)	(1,815)	(795)	533	(2,077)
Net increase / (decrease) in cash and cash equivalents	(333)	(1,259)	4,832	3,240	(55,633)	5,037	5,035	(45,561)
Cash and cash equivalents at beginning of the period	4,065	88,713	88,027	180,805	4,065	88,713	88,027	180,805
Cash and cash equivalents at end of the period	3,732	87,454	92,859	184,045	(51,568)	93,750	93,062	135,244

The annexed notes 1 to 12 form an integral part of financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2022.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2022.

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

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2022.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2022. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2022.

4. BANK BALANCES

	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	------(Rupees in '000)-----				------(Rupees in '000)-----				
Savings accounts	4.1	3,732	87,454	92,859	184,045	4,065	88,713	88,027	180,805
		3,732	87,454	92,859	184,045	4,065	88,713	88,027	180,805

- 4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 5% to 16% per annum (June 30, 2022: 5% - 16.25% per annum).

5. INVESTMENTS

	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	------(Rupees in '000)-----				------(Rupees in '000)-----			

**Investments by category:
At Fair value through Profit
or Loss**

Listed equity securities	5.1	72,871	-	-	72,871	127,886	-	-	127,886
Sukuk certificates	5.2	-	37,360	25,000	62,360	-	20,842	10,000	30,842
		72,871	37,360	25,000	135,231	127,886	20,842	10,000	158,728
								-	-
		72,871	37,360	25,000	135,231	127,886	20,842	10,000	158,728

5.1 Listed equity securities

Held by Equity Sub-Fund

Name of the Investee Company

	As at July 1, 2022	Purchases during the period	Bonus / Rights issue	Sales during the period	As at Sep 30, 2022	Market value as at Sep 30, 2022	Market value as a percentage of total investments of the sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise									
	-----Number of shares-----					-----%-----			
CEMENT									
Attock Cement Limited	60,400	-	-	41,400	19,000	1,550	2.13%	2.01%	0.01%
Kohat Cement Limited	9,900	-	-	5,500	4,400	704	0.97%	0.91%	0.00%
Lucky Cement Limited	5,120	6,700	-	7,600	4,220	2,095	2.87%	2.71%	0.00%
D.G. Khan Cement Company Limited	-	76,500	-	57,500	19,000	1,152	1.58%	1.49%	0.01%
Fauji Cement Company Limited	-	241,500	-	90,000	151,500	2,271	3.12%	2.94%	0.01%
Maple Leaf Cement Factory Limited	84,000	111,500	-	111,500	84,000	2,340	3.21%	3.03%	0.06%
	159,420	436,200	-	313,500	282,120	10,112	13.88%	13.09%	0.09%
CHEMICAL									
Engro Polymer & Chemicals Limited	32,500	-	-	32,500	-	-	0.00%	0.00%	0.00%
ICI Pakistan Limited	-	2,000	-	-	2,000	1,332	1.83%	1.72%	0.01%
	32,500	2,000	-	32,500	2,000	1,332	1.83%	1.72%	0.01%
COMMERCIAL BANKS									
Bank Islami Pakistan Limited	235,000	-	-	235,000	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	-	29,000	-	-	29,000	764	1.05%	0.99%	0.02%
Meezan Bank Limited	103,788	74,378	-	98,500	79,666	8,743	12.00%	11.31%	0.01%
	338,788	103,378	-	333,500	108,666	9,507	13.05%	12.30%	0.03%
ENGINEERING									
Mughal Iron and Steel Industries Limited	45,438	-	-	35,438	10,000	652	0.89%	0.84%	0.01%
	45,438	-	-	35,438	10,000	652	0.89%	0.84%	0.01%
FERTILIZER									
Engro Fertilizers Limited	89,700	20,000	-	109,700	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited	48,450	31,735	-	40,185	40,000	9,261	12.71%	11.98%	-
	138,150	51,735	-	149,885	40,000	9,261	12.71%	11.98%	0.00%
OIL AND GAS EXPLORATION COMPANIES									
Oil & Gas Development Company	153,587	82,200	-	162,787	73,000	5,528	7.59%	7.15%	0.00%
Pakistan Oilfields Limited	16,890	2,800	-	8,500	11,190	3,907	5.36%	5.05%	0.00%
Mari Petroleum Company Limited	4,546	700	-	-	5,246	8,209	11.27%	10.62%	0.00%
Pakistan Petroleum Limited	135,293	129,000	-	187,293	77,000	4,732	6.49%	6.12%	0.03%
	310,316	214,700	-	358,580	166,436	22,376	30.71%	28.94%	0.03%
OIL AND GAS MARKETING COMPANIES									
Pakistan State Oil Company Limited**	51,023	-	-	37,000	14,023	2,278	3.13%	2.95%	0.00%
Attock Petroleum Limited	-	8,654	1,550	-	10,204	2,846	3.91%	3.68%	0.01%
Sui Northern Gas Pipelines Limited	-	68,163	-	25,500	42,663	1,434	1.97%	1.85%	-
	51,023	76,817	1,550	62,500	66,890	6,558	9.01%	8.48%	0.01%
FOOD AND PERSONAL CARE PRODUCT									
The Organic Meat Company Limited	124,950	-	-	124,950	-	-	0.00%	0.00%	0.00%
Unity Foods Limited	128,500	34,000	-	111,500	51,000	1,151	1.58%	1.49%	-
	253,450	34,000	-	236,450	51,000	1,151	1.58%	1.49%	0.00%
MISCELLANEOUS									
TPL Properties Limited	100,000	99,000	-	162,000	37,000	771	1.06%	1.00%	0.02
	100,000	99,000	-	162,000	37,000	771	1.06%	0.01	0.02
PHARMACEUTICALS									
Ferozsons Laboratories Limited	4,500	-	-	4,500	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited	1,670	-	-	1,670	-	-	0.00%	0.00%	0.00%
Searle Pakistan Limited**	15,936	-	-	15,570	366	37	0.05%	0.05%	0.01
	22,106	-	-	21,740	366	37	0.05%	0.05%	1.00%
POWER GENERATION AND DISTRIBUTION									
Hub Power Company Limited	61,431	8,500	-	32,000	37,931	2,652	3.64%	3.43%	0.01%
	61,431	8,500	-	32,000	37,931	2,652	3.64%	3.43%	0.01%
TEXTILE COMPOSITE									
Interloop Limited	50,168	-	-	50,168	-	-	0.00%	0.00%	0.00%
Kohinoor Textile Mills Limited	27,500	-	-	27,500	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	41,400	-	-	41,400	-	-	0.00%	0.00%	0.00%
	119,068	-	-	119,068	-	-	0.00%	0.00%	0.00%

REFINERY

Attock Refinery Limited	26,000	8,847	21,647	13,200	1,941	2.66%	2.51%	0.02%	
National Refinery Limited	7,770	2,700	3,800	6,670	1,624	2.23%	2.10%	0.01%	
	33,770	11,547	-	25,447	19,870	3,565	4.89%	4.61%	0.03%

TECHNOLOGY & COMMUNICATION

Avanceon Limited	14,425	20,075	4,000	30,500	2,270	3.12%	2.94%	0.02%	
Air Link Communication Limited	-	2,500	2,500	-	-	0.00%	0.00%	0.00%	
TPL Trakker Limited	291,500	5,000	-	296,500	2,627	3.61%	3.40%	0.02%	
	305,925	27,575	-	6,500	327,000	4,897	6.73%	6.34%	0.04%

TRANSPORT

Millat Tractors Limited	-	1,500	1,500	-	-	0.00%	0.00%	0.00%
	-	1,500	-	1,500	-	-	-	-

Total as at Sep 30, 2022

	1,971,385	1,066,952	1,550	1,890,608	1,149,279	72,871	100.0%	94.27%
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Carrying Value as at September 30, 2022
62,459
Total as at June 30, 2022

	2,046,155	2,729,846	508	2,805,124	1,971,385	127,886
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** Investments include 5,000 shares of ATRL, 5,000 shares of ENGRO, 10,000 of DGKC and 30,500 of HUBC having market value Rs. 9.264 million, that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

*** Finance Act, 2014 had brought amendments to 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 Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in 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 mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 0.1045 million at September 30, 2022 and not yet deposited on CDC account of department of Income tax. Pension Fund Manager is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at period end.

5.2 Sukuk Certificates - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

Name of the Investee Company	Maturity Date	Face value				Carrying Value as at Sep 30, 2022	Market value as at Sep 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at Sep 30, 2022			Total investments of sub-fund	Net assets of sub-funds
		----- (Number of certificates) -----						---- (Rupees in '000) ---	
Hub Power Company Limited	19-Mar-24	50	-	-	50	3,858	3,835	10.26	3.11
Hub Power Company Limited	27-Oct-22	40	-	-	40	4,000	4,000	10.71	3.24
TPL Trakker Limited	30-Mar-26	10	-	-	10	782	778	2.08	0.63
Agha Steel Industries Limited	9-Oct-25	1	-	-	1	836	813	2.18	0.66
OBS AGP Limited	15-Jul-26	20	-	-	20	2,011	2,026	5.42	1.64
Pak Elektron Limited	15-Nov-23	8	-	-	8	7,950	7,908	21.17	6.40
China Hub Power Company Limited	28-Jan-23	-	10	-	10	10,000	10,000	26.77	8.10
K Electric Limited	10-Feb-23	-	8	-	8	8,000	8,000	21.41	6.48
		129	18	-	147	37,437	37,360	100.00	30.26

5.2.2 Held by Money Market Sub Fund

Name of the Investee Company	Maturity Date	Face value				Carrying Value as at Sep 30, 2022	Market value as at Sep 30, 2022	Market value as a percentage of	
		As at July 1, 2022	Purchases during the period	Sales / matured during the period	As at Sep 30, 2022			Total investments of sub-fund	Net assets of sub-funds
		----- (Number of certificates) -----						---- (Rupees in '000) ---	
K Electric Limited	13-Oct-22	10	-	-	10	10,000	10,000	40.00	8.47
China Hub Power Company Limited	28-Jan-23	-	10	-	10	10,000	10,000	40.00	8.47
K Electric Limited	10-Feb-23	-	5	-	5	5,000	5,000	20.00	4.24
		10	15	-	25	25,000	25,000	100.00	21.18

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	(Rupees in '000)				(Rupees in '000)				
Note									
Auditors' remuneration	174	103	93	370	128	69	56	253	
Payable against purchase of investments	759	-	-	759	-	-	-	-	
Federal Excise Duty	6.1	880	488	383	1,751	880	488	383	1,751
Provision for Sindh Workers' Welfare Fund	6.2	-	-	-	-	-	-	-	
Payable against redemption of units	67	3,299	3,150	6,516	-	-	-	-	
Other payable	336	18	89	443	372	158	83	613	
	2,216	3,908	3,715	9,839	1,380	715	522	2,617	

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2022, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 0.879 million, 0.488 million and 0.383 million (2022: 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 Asset Value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund as at September 30, 2022 would have been higher by Rs. 3.91, Re 0.77 and 0.61 (June 30, 2022: Rs. 2.33, Re 0.82 & Re. 0.70) per unit.

6.2 PROVISION FOR WORKERS' WELFARE FUND

The Government of Sindh also introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The Mutual Fund Association of Pakistan, 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. MUFAP has taken up the matter with the concerned ministry [Sindh Finance Ministry] for appropriate resolution of the matter.

During the current year, SRB through its letter dated August 12, 2021 (received on August 13, 2021) to Mutual Funds Association of Pakistan (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 (EOGM) 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.

On August 13, 2021 the Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 3.18 million , Rs. 0.39 million , Rs. 0.29 million of Islamic Pension Equity Sub Fund , Islamic Pension Debt Sub Fund and Islamic Pension Money Market Sub Fund for the period from July 1, 2014 till August 12, 2021.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2022.

8. TAXATION

No provision for taxation for the period ended September 30, 2021 , has been made in the view of exemption available under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001.

9. TRANSACTIONS WITH CONNECTED PERSONS

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

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

9.1 Transactions during the period

	Three months ended September 30, 2022				Three months ended September 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)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration	613	236	147	996	482	318	229	1,029
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	32	51	60	143	88	225	172	485
Redemption of Units	103,535	-	-	103,535	-	-	-	-
Amount of redemption	36,470	-	-	36,470	-	-	-	-
Directors and Executives of the Pension Fund Manager and their relatives								
Reallocation of units	-	-	-	-	3,663	(4,631)	(2,208)	(3,176)
Amount of units Reallocated	-	-	-	-	1,049	(716)	(333)	-
Executives and their relatives								
Reallocation of units	-	-	-	-	(9,612)	20,205	-	10,593
Amount of units Reallocated	-	-	-	-	(3,086)	3,086	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	51	49	45	145	48	32	23	103

9.2 Balances outstanding as at period / year end

	September 30, 2022 (Un-audited)				June 30, 2022 (Audited)			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	112	73	48	233	326	64	40	430
Sindh Sales Tax payable	15	9	6	30	42	8	5	55
Habib Bank Limited - Sponsor								
	Number				Number			
Units held	-	-	-	-	103,535	-	-	103,535
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	-	-	-	-	36,554	-	-	36,554
Balance in savings account	892	8,008	964	9,864	97	503	478	1,078
Directors and Executives of the Pension Fund Manager and their relatives								
Directors of the Management Company and their relatives								
	Number				Number			
Units held	17,784	40,287	20,685	78,756	17,784	40,287	20,685	78,756
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	6,110	7,813	3,909	17,832	6,276	7,548	3,773	17,597
Executives and their relatives								
	Number				Number			
Units held	12,825	37	18	12,880	12,825	37	18	12,880
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	4,406	7	3	4,416	4,528	7	3	4,538
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration payable	15	19	18	52	21	15	13	49
Security Deposit	100	100	100	300	100	100	100	300
Security deposit receivable	100	100	100	300	100	100	100.00	300
Directors of connected persons								
	Number				Number			
Units held	23,961	55,036	-	78,997	23,961	55,036	-	78,997
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	8,232	10,673	-	18,905	8,456	10,312	-	18,768

10 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		September 30, 2022							
		Carrying amount			Fair Value				
Note		Held For trade	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	Investments:								
	- Listed equity securities	72,871	-	-	72,871	72,871	-	-	72,871
	- Sukuk certificates	62,360	-	-	62,360	-	62,360	-	62,360
		135,231	-	-	135,231	72,871	62,360	-	135,231
	Financial assets not measured at fair value								
	Bank balances	-	184,045	-	184,045	-	-	-	-
	Dividend receivable and accrued mark-up	-	6,632	-	6,632	-	-	-	-
	Advances, deposits and other receivables	-	3,063	-	3,063	-	-	-	-
		-	193,740	-	193,740	-	-	-	-

Financial liabilities not measured at fair value 10.1

Payable to the Pension Fund Manager	-	-	233	233	-	-	-	-
Payable to the Trustee	-	-	46	46	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	38	22	22	-	-	-	-
Accrued expenses and other liabilities	-	-	8,088	8,088	-	-	-	-
Participants' sub-funds	-	-	318,795	318,795	-	-	-	-
	-	-	327,184	327,184	-	-	-	-

June 30, 2022

Carrying amount				Fair Value			
Held for Trade	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							

On-balance sheet financial instruments

Financial assets measured at fair value

Investments:	5								
- Listed equity securities		127,886	-	-	127,886	127,886	-	-	127,886
- Sukuk certificates - Unlisted		30,842	-	-	30,842	-	30,842	-	30,842
		158,728	-	-	158,728	127,886	30,842	-	158,728

Financial assets not measured at fair value

Bank balances	-	180,805	-	180,805	-	-	-	-
Dividend receivable and accrued mark-up	-	4,019	-	4,019	-	-	-	-
Advances, deposits and other receivables	-	3,036	-	3,036	-	-	-	-
	-	187,860	-	187,860	-	-	-	-

Financial liabilities not measured at fair value

Payable to the Pension Fund Manager	-	-	485	485	-	-	-	-
Payable to the Trustee	-	-	56	54	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	87	119	-	-	-	-
Accrued expenses and other liabilities	-	-	2,617	5,566	-	-	-	-
Participants' sub-funds	-	-	343,343	343,343	-	-	-	-
	-	-	346,588	349,567	-	-	-	-

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

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 19, 2022.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer








Director










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HBL

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