

**HBL**

**ASSET MANAGEMENT LTD.**  
ایسٹٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS



# Voluntary Pension Schemes

## HALF YEARLY REPORT 2023

For the Half Year Ended December 31, 2023

MOVING TOWARDS  
**EXCELLENCE**

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# CORPORATE INFORMATION

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## Management Company

### HBL Asset Management Limited

#### Board of Directors (Composition as of February 16, 2024)

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 Mr. Abid Sattar	(Independent Director) (Non-Executive Director) (Independent Director)

#### Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Tariq Masaud Mr. Abid Sattar	(Non-Executive Director) (Independent Director)

#### Technology Committee

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

#### Company Secretary & Chief Financial Officer

Mr. Noman Qurban

#### AMC Rating

AM1 (Stable Outlook)

#### Legal Advisor

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

#### Website

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

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The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of HBL Pension Fund, HBL Islamic Pension Fund, HBL KPK Pension Fund and HBL KPK Islamic Pension Fund (the Funds) for the period ended December 31, 2023.

## ECONOMIC REVIEW

The fiscal year started on a positive note as Government entered into an SBA of USD 3B with IMF. The agreement with IMF opened up the flows from multilateral and bilateral. First tranche of USD 1.2B, deposits placement of USD 2B from Saudi Arabia and USD 1B from UAE and rollover of USD 2.4B loan from China's EXIM Bank helped shore up SBP reserves to USD 8.1B in July'23. Pakistan successfully completed the first review of the SBA agreement and received USD 700M in Jan'24 after Executive Board approval. Moreover, the commitment from IFC to invest USD 1.5B in short and long term projects in Pakistan, rollover of USD 3B Saudi Fund for Development deposits, approval of USD 1.3B flows from multilaterals and controlled current account balance (bearing Jul'23) led to a stable reserves held by SBP at USD 8.2B at Dec'23 end.

Exchange rate has remained very volatile in 1HFY24. Lifting of import restrictions in Jul'24 led to higher demand of USD which kept PKR under pressure in July and August as it depreciated to 307/ USD. To control the freefall of currency, SBP enhanced the vigilance of Exchange Companies, increased their capital requirement while Law Enforcement Agencies cracked down on smuggling, hoarders and black market trade. These measures helped brought down the exchange rate to 277/ USD in October and provided stability to PKR. The parity closed at 282/ USD in Dec'23 vs 286/USD in Jun'23. In addition to administrative measures, relatively balanced current account deficit of USD 90M from Aug'23 to Dec'23 (1HFY24 deficit of USD 831M) provided support to the parity.

On fiscal side, GDP growth in 1QFY24 recorded at 2.13% vs 0.96% in SPLY. The growth is primarily driven by healthy crop output as depicted by 5.1% growth in Agriculture. Industrial also posted a growth of 2.48% due to easing of import restrictions. Services sector posted subpar growth of 0.82% as finance, insurance, education, health, social work and general government recorded a contraction. On the other hand, fiscal deficit in 1HFY24 was 2.3% of GDP vs 2.0% in same period last year. The primary balance posted a surplus of PKR 1,812B (1.7% of GDP) against a surplus of PKR 890B (1.1% of GDP) in same period last year.

Despite improvement in primary balance due to curtailed expenditure and higher tax revenue, fiscal deficit was relatively on a higher side due to interest payments.

On monetary front inflationary pressure continued as energy prices were rationalized as per agreement with IMF. Furthermore, volatile PKR and second round effect of PKR depreciation and higher energy tariff also provided hand in keeping inflation on the higher side. Headline inflation averaged 28.8% y/y in 1HFY24. Core inflation reading was 21.4% while food inflation was 33.6% y/y. Given the inflationary pressures, SBP kept the policy rate unchanged at 22% in 1HFY24.

Large Scale Manufacturing contracted by 0.4% y/y due to contraction in automobiles, tobacco, furniture, textile and others.

## STOCK MARKET REVIEW

During the first half of the outgoing fiscal year the benchmark KSE-100 gained 20,998 points (51%) from 41,452 level to 62,451 level whereas KMI-30 gained 47% with index closing at 104,729 points. The index has touched the high of 66,427 points on Dec 12, 2023 but took some correction due to pre-election political uncertainty and selling by foreign investors. The KMI-30 index reached its high of 112,183 points on December 12, 2023. The positive market sentiment was driven by (i) Reaching of agreement with IMF (ii) inflows from multiple multilateral and bilateral sources (iii) Upgradation of Pakistan's rating by FITCH (iv) crack down on hoarders and smugglers (v) strengthening of PKR (vi) reinvigorated interest by foreign investors and (vii) efforts to resolve energy chain issues.

Renewed interest by investors led to higher trading activity as average volume and value of KSE-All increased by 192% and 159% to 477M and PKR 14.4B respectively in 1HFY24 as compare with 2HFY23.

## MONEY MARKET REVIEW

SBP conducted four monetary policies during 1HFY24 where it kept the policy rate unchanged at 22%. SBP highlighted 1) impact of higher energy tariffs, 2) high commodity prices, as the primary reason for no change in the policy rates. Simultaneously, SBP reiterated its stance of positive real interest rates based on the forward guidance as they expect inflation to decline drastically in 2HFY24.

Owing to expectation of considerable decrease in inflation in coming months, secondary market yields witnessed a declining trend in 1HFY23. Yields on shorter tenor 6M and 1Y TBills were down ~128bps and 161bps to 21.37% and 21.32% respectively. Similarly, 3Y and 5Y PIB yields decreased 293 bps and 18 bps to 16.54% and 15.90% respectively. During 1HFY24, government against a target of PKR 16.3tn borrowed PKR 17.6tn via T-Bill auction. Similarly, government raised PKR 6tn through PIBs (majorly Floating Rate PIBs) during 1HFY24.

In variable rate Ijarah Sukuk, government raised PKR 735B during 1HFY24 against target of PKR 780B. Similarly, through fixed rate Ijarah Sukuk, government raised PKR 411B during 1HFY24 against the target of PKR 510B.

## FUTURE OUTLOOK

We see recovery momentum to continue. GDP growth will hover around 2% in FY24. Despite this recovery, the growth would still be much lower than Pakistan's long term economic growth. Pakistan will continue to adopt tight monetary and fiscal policy in FY24 as IMF program will continue with focus on energy price adjustment and other tax reforms.

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We anticipate CAD to remain muted compared with historical averages as demand curtailment measures by SBP and Federal Government will keep imports in check. In near term, parity outlook will likely be driven by completion of IMF review, negotiation of new IMF program and flows from multilaterals and bilateral.

Post-elections, the IMF team is set to conduct the final review of the SBA program, and upon approval from the Executive Board, Pakistan is slated to receive USD 1.1B. The hike in energy tariffs is poised to strengthen measures addressing persistent energy challenges. Furthermore, the realization of foreign investments has the potential to boost economic growth and market dynamics. However, political uncertainties post elections have casted shadows on economic stability. It is likely that weak coalition government would be formed with SIFC playing a major role in economic policy making.

With regards to policy rate, we believe that interest rates have peaked. As inflation is expected to decline, interest rate will follow suit while ensuring real positive interest rate. However, escalation of Israel-Palestine conflict, resulting in increase in oil prices, imminent increase in energy tariffs, second round of effect of energy tariff hike and Ramadan effect pose risk to our assumptions.

## **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 net income of Rs. 168.00 million and Rs. 156.26 million respectively during the period under review. The fund size increased from Rs. 1,141.42 million as on June 30, 2023 to Rs. 1,430.72 million as at December 31, 2023 thereby showing an increase of 25% during the period under review. Performance review for each sub Fund is given below:

#### **Equity Sub-Fund**

During the period under review, the Equity sub-fund earned a total and income of Rs. 29.47 million and Rs. 27.76 million respectively. The net assets of the Equity sub-fund was Rs. 84.44 million representing Net Asset Value (NAV) of Rs. 449.5723 per unit as at December 31, 2023. The Sub Fund yielded a return of 49.10% for the period under review. The Fund is invested to the extent of 96% in equities.

#### **Debt Sub-Fund**

During the period under review, the Debt sub-fund earned total and net income of Rs. 51.85 million and Rs. 48.31 million respectively. The net assets of the Debt sub-fund was Rs. 476.90 million representing Net Asset Value (NAV) of Rs. 312.8186 per unit as at December 31, 2023. The Fund yielded annualized return of 24.31% 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. 86.68 million and Rs. 80.19 million respectively. The net assets of the Money Market sub-fund was Rs. 869.38 million representing Net Asset Value (NAV) of Rs. 269.1740 per unit as at December 31, 2023. An annualized return of 21.31% 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. 115.69 million and Rs. 108.95 million respectively during the period under review. The fund size increased from Rs. 641.32 million as at June 30, 2023 to Rs. 802.73 million as at December 31, 2023 showing an increase of 25%. Performance review for each sub Fund is given below:

#### **Equity Sub-Fund**

During the period under review, the Equity sub-fund earned a total and net income of Rs. 39.69 million and Rs. 37.36 million respectively. The net assets of the Equity sub-fund was Rs. 119.57 million representing Net Asset Value (NAV) of Rs. 489.9000 per unit as at December 31, 2023. The Fund yielded a return of 50.52% for the period under review. The Sub Fund is invested to the extent of 95% in equities.

#### **Debt Sub-Fund**

During the period under review, the Debt sub-fund earned total and net income of Rs. 34.44 million and Rs. 32.40 million respectively. The net assets of the Debt sub-fund was Rs. 305.63 million representing Net Asset Value (NAV) of Rs. 245.6224 per unit as at December 31, 2023. The Fund yielded annualized return of 23.59% 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. 41.55 million and Rs. 39.18 million respectively. The net assets of the Money Market sub-fund was Rs. 377.53 million representing Net Asset Value (NAV) of Rs. 239.0706 per unit as at December 31, 2023. An annualized return of 23.94% was earned by the Fund for the period under review.



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**HBL KPK Pension Fund**

The KPK Pension Fund was launched on December 14, 2023. The Fund is unlisted pension scheme and its units are offered on a continuous basis to employees of KPK Government appointed / recruit under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization.

The Fund consists of four sub-funds namely; Equity Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund. The contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain inoperative till then.

The performance of Money Market Sub-fund is given below:

**Money Market Sub-Fund**

During the period under review, the Money Market sub-fund earned total and net income of Rs. 0.33 million Rs. 0.31 million respectively. The net assets of the Money Market sub-fund was Rs. 31.49 million representing Net Asset Value (NAV) of Rs. 100.9829 per unit as at December 31, 2023. An annualized return of 19.97% was earned by the Fund for the period under review.

The remaining funds sub-funds remain in operative and only seed capital is injected by the Pension Fund Manager which would remain invested till three years from the date of launch of the Fund.

**HBL KPK Islamic Pension Fund**

The KPK Islamic Pension Fund was launched on December 14, 2023. The Fund is unlisted pension scheme and its units are offered on a continuous basis to employees of KPK Government appointed / recruit under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming into force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization.

The Fund consists of four sub-funds namely; Equity Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund. The contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain inoperative till then.

The performance of Money Market Sub-fund is given below:

**Money Market Sub-Fund**

During the period under review, the Money Market sub-fund earned total and net income of Rs. 0.27 million Rs. 0.25 million respectively. The net assets of the Money Market sub-fund was Rs. 31.45 million representing Net Asset Value (NAV) of Rs. 100.8068 per unit as at December 31, 2023. An annualized return of 16.41% was earned by the Fund for the period under review.

The remaining funds sub-funds remain in operative and only seed capital is injected by the Pension Fund Manager which would remain invested till three years from the date of launch of the Fund.

**Acknowledgement**

The Board takes this opportunity to thank its valued unit-holders for their confidence and patronage. It would like to place on record its appreciation for the help and guidance provided by 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**

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# **HBL**

## **Pension Fund**

## FUND INFORMATION

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Name of Fund	HBL Pension Fund
Name of Auditor	BDO EBRAHIM & Co. Chartered Accountant
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 Bank Al falah Limited Khushhali Micro Finance Limited U Micro Finance Limited First Micro Finance Limited National Bank of Pakistan Bank Al Habib Limited Askari Bank Limited



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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT TO THE PARTICIPANTS OF HBL PENSION FUND**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL PENSION FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub funds', condensed interim statement of cash flows together with a summary of significant accounting policies and other explanatory notes forming parts thereof (here-in-after referred to as the "condensed interim Financial Statement"), for the half year ended December 31, 2023. HBL Asset Management Limited ("the Pension Fund Manager") is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim Financial Statements as at and for the half year ended December 31, 2023 do not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matters**

The condensed interim financial statements of the Fund for the year ended June 30, 2023 and condensed interim financial statements of the Fund for the half year ended December 31, 2022 were audited and reviewed by another firm of Chartered Accountants who have expressed an unmodified opinion and unmodified conclusion thereon vide their reports dated September 25, 2023 and February 24, 2023 respectively.

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATE: 26 FEB 2024

UDIN: RR202310166irCjDOv76

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shakra-e-Faisal  
Karachi - 74400, Pakistan.  
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**TRUSTEE REPORT TO THE PARTICIPANTS**

**HBL PENSION FUND**

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h)  
of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 29, 2024

**HBL Pension Fund**  
**Condensed Interim Statement of Assets and Liabilities**  
**AS AT DECEMBER 31, 2023**

	December 31, 2023 (Un-Audited)				June 30, 2023 (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								
<b>ASSETS</b>									
Bank balances	4	1,078	133,324	401,332	535,734	2,864	130,298	37,880	171,042
Investments	5	84,454	329,441	460,245	874,140	52,645	243,711	658,530	954,886
Dividend and profit / markup receivable	6	26	15,793	7,959	23,778	55	7,110	11,367	18,532
Advances, deposits and other receivable	7	2,682	447	3,217	6,346	2,812	796	229	3,837
<b>TOTAL ASSETS</b>		<b>88,240</b>	<b>479,005</b>	<b>872,753</b>	<b>1,439,998</b>	<b>58,376</b>	<b>381,915</b>	<b>708,006</b>	<b>1,148,297</b>
<b>LIABILITIES</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	8	2,594	509	932	4,035	78	485	907	1,470
Payable to the Trustee	9	11	62	113	186	11	54	99	164
Payable to Securities and Exchange - Commission of Pakistan	10	14	85	159	258	27	120	202	349
Accrued expenses and other liabilities	11	1,177	1,450	2,168	4,795	893	1,650	2,349	4,892
<b>TOTAL LIABILITIES</b>		<b>3,796</b>	<b>2,106</b>	<b>3,372</b>	<b>9,274</b>	<b>1,009</b>	<b>2,309</b>	<b>3,557</b>	<b>6,875</b>
<b>NET ASSETS</b>		<b>84,444</b>	<b>476,899</b>	<b>869,381</b>	<b>1,430,724</b>	<b>57,367</b>	<b>379,606</b>	<b>704,449</b>	<b>1,141,422</b>
<b>PARTICIPANTS' SUB FUNDS (AS PER STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)</b>		<b>84,444</b>	<b>476,899</b>	<b>869,381</b>	<b>1,430,724</b>	<b>57,367</b>	<b>379,606</b>	<b>704,449</b>	<b>1,141,422</b>
<b>CONTINGENCIES AND COMMITMENTS</b>									
	12	Number of units							
Number of units in issue	16	187,831	1,524,523	3,229,813		190,261	1,362,202	2,898,259	4,450,722
		Rupees							
Net assets value per unit		449.5723	312.8186	269.1740		301.5172	278.6710	243.0594	

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL Pension Fund**  
**CONDENSED INTERIM INCOME STATEMENT (Unaudited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Half year period ended December 31, 2023				Half year period ended December 31, 2022				
	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 -----									
<b>Income</b>									
Capital gain / (loss) on sale of investments - net	12,303	4,927	1,375	18,605	(1,983)	(42)	(385)	(2,410)	
Dividend income	3,571	-	-	3,571	3,360	-	-	3,360	
Mark-up on bank deposits	177	16,508	7,977	24,662	197	13,052	20,632	33,881	
Mark-up / return on investments calculated using the effective interest method	-	27,875	77,858	105,733	-	9,008	13,057	22,065	
	16,051	49,310	87,210	152,571	1,574	22,018	33,304	56,896	
Unrealised appreciation/(diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	5.1	13,418	2,539	(530)	15,427	(2,897)	20	-	(2,876)
<b>Total Income</b>	<b>29,469</b>	<b>51,849</b>	<b>86,680</b>	<b>167,998</b>	<b>(1,323)</b>	<b>22,038</b>	<b>33,304</b>	<b>54,020</b>	
<b>Expenses</b>									
Remuneration to HBL Asset Management Limited - Pension Fund Manager	8.1	506	2,052	3,855	6,413	625	688	828	2,141
Sindh Sales Tax on remuneration of the HBL Asset Management Limited - Pension Fund Manager	8.2	66	267	501	834	81	89	108	278
Remuneration of the Trustee	9.1	46	290	547	883	63	207	312	581
Sindh Sales Tax on remuneration of the Trustee	9.2	6	38	71	115	8	27	40	76
Annual fee to the Securities and Exchange Commission of Pakistan	10	14	85	159	258	17	55	83	155
Allocation of expenses related to registrar services, accounting, operation and valuation services		-	639	1,205	1,844	101	344	207	652
Auditors' remuneration		27	88	87	202	91	74	73	238
Settlement and bank charges		958	77	63	1,098	452	27	22	501
Other Expenses		88	-	-	88	250	12	17	279
		1,711	3,536	6,488	11,735	1,688	1,523	1,690	4,901
<b>Net income / (loss) for the period before taxation</b>		<b>27,758</b>	<b>48,313</b>	<b>80,192</b>	<b>156,263</b>	<b>(3,011)</b>	<b>20,516</b>	<b>31,614</b>	<b>49,119</b>
Taxation	13	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>		<b>27,758</b>	<b>48,313</b>	<b>80,192</b>	<b>156,263</b>	<b>(3,011)</b>	<b>20,516</b>	<b>31,614</b>	<b>49,119</b>
Earnings per unit	14								

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL Pension Fund**  
**CONDENSED INTERIM INCOME STATEMENT (Unaudited)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

	Quarter ended December 31, 2023				Quarter ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>Note</b>	(Rupees in '000)							
<b>Income</b>								
Capital gain/(loss) on sale of investments - net	9,041	4,774	83	13,898	17,421	(47)	(357)	17,017
Dividend income	2,687	-	-	2,687	1,435	-	-	1,435
Mark-up on bank deposits	77	6,931	6,574	13,582	53	5,330	7,919	13,302
Mark-up / return on investments calculated using the effective interest method	-	16,100	38,146	54,246	-	5,780	9,754	15,534
	11,805	27,805	44,803	84,414	18,909	11,063	17,316	47,288
Unrealised appreciation/(diminution) on re-measurement of investments classified as 'fair value through profit or loss' - net	10,765	201	(585)	10,381	(19,632)	428	-	(19,203)
<b>Total Income</b>	22,570	28,006	44,218	94,795	(723)	11,491	17,316	28,085
<b>Expenses</b>								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	265	1,017	1,880	3,162	213	302	415	930
Sindh Sales Tax on remuneration of the HBL Asset Management Limited - Pension Fund Manager	35	133	244	411	28	39	54	121
Remuneration of the Trustee	22	140	262	425	21	105	166	293
Sindh Sales Tax on remuneration of the Trustee	3	19	34	55	3	14	22	38
Annual fee to the Securities and Exchange Commission of Pakistan	8	45	83	136	10	38	59	107
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	283	524	807	-	228	142	370
Auditors' remuneration	13	52	49	114	46	37	37	120
Settlement and Bank charges	305	52	50	407	104	26	21	151
Other expenses	88	-	-	88	250	12	17	279
	739	1,741	3,126	5,606	675	802	932	2,409
<b>Net income / (loss) from operating activities</b>	21,831	26,265	41,093	89,189	(1,398)	10,689	16,384	25,676
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	21,831	26,265	41,093	89,189	(1,398)	10,689	16,384	25,676

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL Pension Fund**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Half year period ended December 31, 2023				Half year period ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000							
Net income/(loss) for the period after taxation	27,758	48,313	80,192	156,263	(3,011)	20,516	31,614	49,119
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	<u>27,758</u>	<u>48,313</u>	<u>80,192</u>	<u>156,263</u>	<u>(3,011)</u>	<u>20,516</u>	<u>31,614</u>	<u>49,119</u>

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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



**HBL Pension Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

	Quarter ended December 31, 2023				Quarter ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Net income/(loss) for the period after taxation	21,831	26,265	41,093	89,189	(1,398)	10,689	16,384	25,675
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	21,831	26,265	41,093	89,189	(1,398)	10,689	16,384	25,675

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL Pension Fund**  
**Statement of Movement in Participants' Sub Funds (Un-audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Half year ended December 31, 2023				Half year ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>Note</b>	----- (Rupees in '000) -----							
<b>Net assets at beginning of the period (Audited)</b>	57,367	379,606	704,449	1,141,422	133,433	294,946	403,035	831,414
Amount received on issuance of units	7,695	80,576	159,941	248,212	10,933	75,787	228,149	314,869
Amount paid on redemption of units - net	(8,376)	(31,596)	(75,201)	(115,173)	(88,612)	(88,196)	(172,810)	(349,618)
	(681)	48,980	84,740	133,039	(77,679)	(12,409)	55,339	(34,749)
Capital gain / (loss) on sale of investments - net	12,303	4,927	1,375	18,605	(1,983)	(42)	(385)	(2,410)
Unrealised appreciation / (diminution) on revaluation of investments classified as financial assets at fair value through profit or loss - net	13,418	2,539	(530)	15,427	(2,897)	20	-	(2,876)
Other income for the period	2,037	40,847	79,347	122,231	1,869	20,537	31,999	54,405
<b>Total comprehensive income/(loss) for the period</b>	27,758	48,313	80,192	156,263	(3,011)	20,515	31,614	49,118
<b>Net assets at end of the period (Un-audited)</b>	84,444	476,899	869,381	1,430,724	52,743	303,052	489,988	845,783
	----- (Rupees) -----				----- (Rupees) -----			
Net assets value per unit at beginning of the period (Audited)	301.5172	278.6710	243.0594		312.6181	236.4216	205.8763	
Net assets value per unit at end of the period (Un-audited)	449.5723	312.8186	269.1740		296.2827	254.8385	222.3318	

The annexed notes from 1 to 22 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

# HBL Pension Fund

## Condensed Interim Cash Flow Statement (Un-audited)

### FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023				Half year ended December 31, 2023			
	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 -----								
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the period before taxation (Unaudited)	27,758	48,313	80,192	156,263	(3,011)	20,516	31,614	49,119
Adjustments for:								
Capital (gain) / loss on sale of investment - net	(12,303)	(4,927)	(1,375)	(18,605)	1,983	42	385	2,410
Dividend income	(3,571)	-	-	(3,571)	(3,360)	-	-	(3,360)
Mark-up on bank deposits	(177)	(16,508)	(7,977)	(24,662)	(197)	(13,052)	(20,632)	(33,881)
Mark-up / return from investments	-	(27,875)	(77,858)	(105,733)	-	(9,008)	(13,057)	(22,065)
Unrealised (appreciation) / diminution re-measurement of investments classified as 'fair value through profit or loss' - net	(13,418)	(2,539)	530	(15,427)	2,897	(20)	-	2,876
	(1,711)	(3,536)	(6,488)	(11,735)	(1,688)	(1,523)	(1,690)	(4,901)
<b>Decrease/(increase) in assets</b>								
Investments - net	(6,088)	(78,264)	199,130	114,778	77,091	(105,871)	(54,863)	(83,643)
Advances, deposits and other receivable	130	349	(2,988)	(2,509)	(510)	(33)	(47)	(590)
	(5,958)	(77,915)	196,142	112,269	76,581	(105,904)	(54,910)	(84,233)
<b>(Decrease)/increase in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	2,516	24	25	2,565	(337)	12	54	(271)
Payable to the Trustee	-	8	14	22	(14)	3	11	-
Payable to Securities and Exchange Commission of Pakistan	(13)	(35)	(43)	(91)	(32)	-	7	(25)
Accrued expenses and other liabilities	284	(200)	(181)	(97)	106	637	1,254	1,997
	2,787	(203)	(185)	2,399	(277)	652	1,326	1,701
Cash generated from operations	(4,882)	(81,654)	189,469	102,933	74,616	(106,775)	(55,274)	(87,432)
Dividend received	3,568	-	-	3,568	3,353	-	-	3,353
Mark-up received on bank deposits	209	16,537	5,996	22,742	315	15,837	22,082	38,234
Mark-up received on investments	-	19,163	83,247	102,410	-	5,671	10,809	16,480
Net cash generated / (used) from operating activities	(1,105)	(45,954)	278,712	231,653	78,284	(85,267)	(22,383)	(29,365)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Receipts from issue of units	7,695	80,576	159,941	248,212	10,933	75,787	228,149	314,869
Payment against redemption of units	(8,376)	(31,596)	(75,201)	(115,173)	(88,612)	(88,196)	(172,810)	(349,618)
Reallocation among sub-funds	-	-	-	-	-	-	-	-
Net cash generated / (used) in financing activities	(681)	48,980	84,740	133,039	(77,679)	(12,409)	55,339	(34,749)
Net increase / (decrease) in cash and cash equivalents during the period	(1,786)	3,026	363,452	364,692	605	(97,676)	32,956	(64,114)
Cash and cash equivalents at the beginning of the period (Audited)	2,864	130,298	37,880	171,042	3,321	229,087	358,775	591,183
Cash and cash equivalents at the end of the period (Unaudited)	4	1,078	133,324	401,332	535,734	3,926	131,411	391,731
								527,069

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

\_\_\_\_\_  
Chief Financial Officer

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

\_\_\_\_\_  
Director

# **HBL Pension Fund**

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

### **FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

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

- 1.1** HBL Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011. The Fund was registered on September 08, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020.
- 1.2** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (the VPS Rules) through a certificate of registration issued by SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.4** The objective of the Fund is to provide individuals with a portable, individualised, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.
- 1.5** 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 shall be invested in any government security having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
  - The Debt Sub-Fund consist of tradable debt securities with weighted average duration of the investment portfolio of the Debt Sub-Fund not exceeding five years. At least twenty five percent (25%) of the net assets in the Debt Sub-Fund shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days maturity. Upto twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating with stable outlook.
  - 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 deposits with commercial banks having 'A+' or higher rating provided that deposit with any one bank shall not exceed 20% of net assets of Money Market Sub-Fund. Investment in securities issued by provincial government, city government, government corporate entities with 'A' or higher rating or a corporate entity with 'A+' or higher rating or a government corporation with A+ or higher rating shall be in proportion as defined in offering document.
- 1.6** The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility & Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.
- 1.7** VIS Credit Rating Agency has assigned management quality rating of 'AM1' (Stable Outlook) to the HBL Asset Management Company Limited as at December 29, 2023.
- 1.8** Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

#### **2 BASIS OF PREPARATION**

##### **2.1 Statement of compliance**

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

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- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and requirements of the trust deed; and
  - "Provisions of and or directives issued under the Companies Act, 2017 along with Part VIII A of the repealed Companies Ordinance, 1984. "

Where the requirements of VPS Rules or provisions and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirements of the IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed have been followed.

- 2.1.2** These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.
- 2.1.3** The comparative statement of asset and liabilities presented in these condensed interim financial statements has been extracted from the annual audited financial statements of the Fund for the year ended June 30, 2023, whereas the comparative condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of movement in unit holders' fund are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2022.
- 2.1.4** These condensed interim financial statements are unaudited but has been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 have not been reviewed.
- 2.1.5** In compliance with Schedule V of the NBFC Regulations, the directors of the Pension Fund Manager hereby declare that these condensed interim financial statements gives a true and fair view of the state of the Fund's affairs as at December 31, 2023.
- 2.1.6** These condensed interim financial statements are being submitted to the participants as required under Regulation 67B(vi) of the NBFC Regulations, 2008.

## **2.2 Basis of measurement**

"These condensed interim financial statements has been prepared under the historical cost basis, unless otherwise stated."

## **2.3 Functional and presentation currency**

"These condensed interim financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency."

## **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ACCOUNTING ESTIMATES, JUDGEMENTS AND CHANGES THEREIN**

- 3.1** The accounting policies applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the audited financial statements of the Fund for the year ended June 30, 2023.
- 3.2** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and are mandatory for the Fund's accounting periods. These standards ,interpretations and amendmends are either not relevant to the Fund's operation or are not expected to have a significant effect on these condensed interim financial statements.

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2023.

**3.4** The Fund's financial risk management objectives and policies are consistent with that disclosed in annual audited financial statements of the Fund for the year ended June 30, 2023.

	December 31, 2023 (Un-Audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000				Rupees in '000			
<b>4 BANK BALANCES</b>								
In saving accounts	1,078	133,324	401,332	535,734	2,864	130,298	37,880	171,042

**4.1** This includes balances of Rs.0.70 million, Rs.5.48 million & Rs.400.66 million (June 30, 2023: Rs.1.14 million, Rs.17.07 million & Rs.21.61 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party)

**4.2** These accounts carried profit at the rates ranging between 17.50% to 22.65% (June 30, 2023: 13.50% to 19.51%) respectively. During the year other savings accounts of the Fund carried profit at the rates ranging between 20% to 22.65% (June 30, 2023: 10% to 21.85%) per annum.

	December 31, 2023 (Un-Audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000				Rupees in '000			
<b>5 INVESTMENTS</b>								
<b>Financial assets at fair value through profit and loss</b>								
Listed Equity Securities	84,454	-	-	84,454	52,645	-	-	52,645
Government Securities								
Market Treasury Bills	-	-	426,245	426,245	-	13,436	331,094	344,530
Pakistan Investment Bonds	-	264,251	-	264,251	-	-	234,436	234,436
GOP Ijarah	-	-	-	-	-	155,605	-	155,605
Term Finance Certificate and Sukuk Bonds	-	65,190	34,000	99,190	-	74,670	93,000	167,670
<b>Financial asset at amortised cost</b>								
Letter of placement	-	-	-	-	-	-	-	-
	84,454	329,441	460,245	874,140	52,645	243,711	658,530	954,886



5.1 INVESTMENTS

	December 31, 2023 (Un-audited)				June 30, 2023 (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			
Market value of investment	84,454	329,441	460,245	874,140	52,645	243,711	658,530	954,886
Carrying value of investments before mark to market	(71,036)	(326,902)	(460,775)	(858,713)	(53,737)	(243,822)	(658,864)	(956,423)
	13,418	2,539	(530)	15,427	(1,092)	(111)	(334)	(1,537)

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

5.2.1 Held by Equity Sub-Fund

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/ appreciation as at December 31, 2023	Net assets of the sub fund	Investments of sub fund	Percentage of paid up capital of the investee company held
	(Number of shares)					(Rupees '000)			(%)			
<b>AUTOMOBILE ASSEMBLER</b>												
Honda Atlas Cars Pakistan Limited	-	33,000	-	-	33,000	-	-	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	-	1,880	-	-	140	1,740	1,799	2,088	289	2.47%	2.47%	0.00%
Millat Tractors Limited	-	3,000	-	-	3,000	-	-	-	-	0.00%	0.00%	0.00%
Pak Suzuki Motor Co. Limited	-	1,700	-	-	1,700	-	-	-	-	0.00%	0.00%	0.00%
Sazgar Engineering Works Limited	-	14,100	-	-	5,500	8,600	1,536	1,530	(6)	1.81%	1.81%	0.00%
	-	53,680	-	-	43,340	10,340	3,335	3,618	283	4.29%	4.3%	0.0%
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>												
Baluchistan Wheels Limited	-	20,000	-	-	2,000	18,000	2,706	3,519	813	4.17%	4.17%	0.00%
Panther Tyres Limited	-	39,000	-	-	11,000	28,000	1,119	1,268	149	1.50%	1.50%	0.00%
	-	59,000	-	-	13,000	46,000	3,825	4,787	962	5.67%	5.67%	0.00%
<b>CEMENT</b>												
Cherat Cement Company Limited	18,700	51,700	-	-	65,100	5,300	723	864	141	1.02%	1.02%	0.00%
D. G. Khan Cement Co. Limited	-	76,500	-	-	35,000	41,500	3,386	3,212	(174)	3.80%	3.80%	0.00%
Fauji Cement Company Ltd.	-	134,000	-	-	-	134,000	2,735	2,535	(200)	3.00%	3.00%	0.00%
Lucky Cement Limited	-	9,850	-	-	9,850	-	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	133,000	302,500	-	-	366,000	69,500	2,229	2,705	476	3.20%	3.20%	0.00%
Pioneer Cement Limited	-	133,660	-	-	97,460	36,200	4,026	4,161	135	4.93%	4.93%	0.00%
	151,700	708,210	-	-	573,410	286,500	13,099	13,477	378	15.96%	15.96%	0.00%
<b>CHEMICAL</b>												
Ghani Glass Mills Limited	-	29,000	-	-	29,000	-	-	-	-	0.00%	0.00%	0.00%
	-	29,000	-	-	29,000	-	-	-	-	0.00%	0.00%	0.00%
<b>ENGINEERING</b>												
International Steels Limited	-	141,100	-	-	100,000	41,100	2,397	3,001	604	3.55%	3.55%	0.00%
Mughal Iron and Steel Industries Limited	22,000	36,500	-	-	57,724	776	41	51	10	0.06%	0.06%	0.00%
	22,000	177,600	-	-	157,724	41,876	2,438	3,052	614	3.61%	3.61%	0.00%
<b>FERTILIZERS</b>												
Engro Fertilizers Limited	62,600	72,000	-	-	134,600	-	-	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited	4,200	38,250	-	-	42,450	-	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	50,000	-	-	-	50,000	1,438	1,595	157	1.89%	1.89%	0.00%
Fauji Fertilizer Company Limited	52,000	49,000	-	-	101,000	-	-	-	-	0.00%	0.00%	0.00%
	118,800	209,250	-	-	278,050	50,000	1,438	1,595	157	1.89%	1.89%	0.00%
<b>COMMERCIAL BANKS</b>												
Askari Bank Limited	-	68,000	-	-	-	68,000	1,545	1,681	136	1.99%	1.99%	0.00%
Bank Islami Pakistan Limited	319,500	78,000	-	-	397,500	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	840	100,000	-	-	100,000	840	22	27	5	0.03%	0.03%	0.00%
Habib Bank Limited (related party)	32,500	127,000	-	-	159,500	-	-	-	-	0.00%	0.00%	0.00%
MCB Bank Limited	-	112,800	-	-	112,800	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	-	79,000	-	-	53,269	25,731	3,187	4,152	964	4.92%	4.92%	0.00%
United Bank Limited - (S.1.2)	18,000	40,000	-	-	25,900	32,100	4,451	5,709	1,257	6.76%	6.76%	0.00%
Bank Al-Habib Limited	-	107,500	-	-	86,500	21,000	1,569	1,691	122	2.00%	2.00%	0.00%
	370,840	712,300	-	-	935,469	147,671	10,775	13,260	2,484	15.70%	15.70%	0.00%
<b>FOOD AND PERSONAL CARE PRODUCTS</b>												
Unity Foods Limited	-	84,500	-	-	84,500	-	-	-	-	0.00%	0.00%	0.00%
Murree Brewery Company Limited	-	6,500	-	-	-	6,500	2,276	2,181	(95)	2.58%	2.58%	0.00%
	-	91,000	-	-	84,500	6,500	2,276	2,181	(95)	2.58%	2.58%	0.00%
<b>GLASS &amp; CERAMICS</b>												
Tariq Glass Limited	-	31,000	-	-	31,000	-	-	-	-	0.00%	0.00%	0.00%
	-	31,000	-	-	31,000	-	-	-	-	0.00%	0.00%	0.00%
<b>INSURANCE</b>												
Adamjee Insurance Company Limited	-	9,500	-	-	9,500	-	-	-	-	0.00%	0.00%	0.00%
	-	9,500	-	-	9,500	-	-	-	-	0.00%	0.00%	0.00%
<b>LEATHER &amp; TANNERIES</b>												
Service Global Footware Limited	-	10,000	-	-	10,000	-	-	-	-	0.00%	0.00%	0.00%
	-	10,000	-	-	10,000	-	-	-	-	0.00%	0.00%	0.00%
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>												
Oil & Gas Dev. Co - (S.1.2)	58,200	102,000	-	-	93,166	67,034	6,258	7,538	1,280	8.93%	8.93%	0.00%
Pak Petroleum Limited - (S.1.2)	86,000	115,600	-	-	131,800	69,800	4,931	8,029	3,098	9.51%	9.51%	0.00%
	144,200	217,600	-	-	224,966	136,834	11,189	15,567	4,378	18.44%	18.43%	0.00%

Name of the investee company	As at July 1, 2023 (Audited)	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at December 31, 2023 (Un-audited)	Carrying value as at December 31, 2023 (Un-audited)	Market value as at December 31, 2023 (Un-audited)	Unrealized (diminution)/appreciation as at December 31, 2023 (Un-audited)	Net assets of the sub fund	Investments of sub fund	Percentage of paid up capital of the investee company held
<b>OIL &amp; GAS MARKETING COMPANIES</b>												
Pakistan State Oil Company Limited - (5.1.2)(5.1.3)	31,219	36,200	-	-	29,619	37,800	4,477	6,680	2,203	7.91%	7.91%	0.00%
Sui Northern Gas Pipelines Limited-(5.1.2)	51,500	212,400	-	-	181,600	82,300	3,756	6,051	2,295	7.17%	7.16%	0.00%
Attock Petroleum Limited	-	2,000	-	-	2,000	-	-	-	-	0.00%	0.00%	0.00%
Shell Pakistan Limited	-	17,600	-	-	17,600	-	-	-	-	0.00%	0.00%	0.00%
Sui Southern Gas Co. Limited	-	30,500	-	-	30,500	-	-	-	-	0.00%	0.00%	0.00%
	82,719	298,700	-	-	261,319	120,100	8,233	12,731	4,498	15.08%	15.07%	0.00%
<b>PHARMACEUTICALS</b>												
Highnoon Laboratories Limited - (5.1.3)	56	-	-	-	-	56	19	28	9	0.03%	0.03%	0.00%
Ferozsons Laboratories Limited	-	7,100	-	-	-	7,100	1,421	1,567	146	1.86%	1.86%	0.00%
Searle Pakistan Limited - (5.1.3)	673	13,500	-	-	1	14,172	765	730	(35)	0.86%	0.86%	0.00%
AGP Limited	-	9,000	-	-	9,000	-	-	-	-	0.00%	0.00%	0.00%
	729	29,600	-	-	9,001	21,328	2,205	2,325	120	2.75%	2.75%	0.00%
<b>PAPER &amp; BOARD</b>												
Century Paper and Board Mills Limited	-	67,000	-	-	7,500	59,500	2,076	1,937	(138)	2.30%	2.29%	0.00%
	-	67,000	-	-	7,500	59,500	2,076	1,937	(138)	2.30%	2.29%	0.00%
<b>POWER GENERATION AND DISTRIBUTION</b>												
Nishat Chunian Power Limited	-	269,000	-	-	269,000	-	-	-	-	0.00%	0.00%	0.00%
Hub Power Company Limited	67,000	61,000	-	-	93,200	34,800	3,178	4,075	897	4.83%	4.82%	0.00%
K-Electric Limited	-	151,000	-	-	-	151,000	740	794	54	0.95%	0.94%	0.00%
Lalpir Power Limited	-	38,000	-	-	38,000	-	-	-	-	0.00%	0.00%	0.00%
Nishat Power Limited	-	77,112	-	-	77,112	-	-	-	-	0.00%	0.00%	0.00%
	67,000	596,112	-	-	477,312	185,800	3,918	4,869	951	5.78%	5.77%	0.00%
<b>REFINERY</b>												
National Refinery Limited	-	58,300	-	-	58,300	-	-	-	-	0.00%	0.00%	0.00%
Attock Refinery Limited	-	55,400	-	-	55,400	-	-	-	-	0.00%	0.00%	0.00%
	-	113,700	-	-	113,700	-	-	-	-	0.00%	0.00%	0.00%
<b>TEXTILE COMPOSITE</b>												
Gul Ahmed Textile Mills Limited	-	30,000	-	-	-	30,000	785	648	(137)	0.77%	0.77%	0.00%
	-	30,000	-	-	-	30,000	785	648	(137)	0.77%	0.77%	0.00%
<b>TECHNOLOGY AND COMMUNICATION</b>												
Air Link Communication Limited	-	24,500	-	-	-	24,500	1,433	1,489	56	1.77%	1.76%	0.00%
Pakistan Telecommunication Company Systems Limited	-	28,000	-	-	-	28,000	1,119	342	(777)	0.41%	0.40%	0.00%
TPL Trakker Limited	2,500	2,800	-	-	5,300	-	-	-	-	0.00%	0.00%	0.00%
TRG Pakistan Limited	358,000	-	-	-	30,500	327,500	2,894	2,576	(318)	3.06%	3.05%	0.02%
	-	3,500	-	-	3,500	-	-	-	-	0.00%	0.00%	0.00%
	360,500	58,800	-	-	39,300	380,000	5,446	4,407	(1,039)	5.24%	5.22%	0.02%
<b>MISCELLANEOUS</b>												
Pak Aluminium Beverage Cans Limited	-	19,000	-	-	136,500	(117,500)	-	-	-	0.00%	0.00%	0.00%
Pakistan Hotels Developers Limited	-	1,000	-	-	3,500	(2,500)	-	-	-	0.00%	0.00%	0.00%
	-	20,000	-	-	140,000	(120,000)	-	-	-	0.00%	0.00%	0.00%
Total as at December 31, 2023 (Un-audited)	1,318,488	3,522,052	-	-	3,438,091	1,402,449	71,036	84,454	13,418	100.1%	100%	0.04%
Total as at June 30, 2023 (Audited)	2,242,920	4,940,634	141	-	5,865,207	1,318,488	53,737	52,645	(1,092)			

**5.1.2** As at December 31, 2023 the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11, dated October 23, 2007, issued by the SECP, of the following companies:

- Oil & Gas Development Company Limited (27,500 shares having market value of Rs. 3.092 million)
- Pakistan Petroleum Limited (49,500 shares having market value of Rs. 5.693 million)
- Pakistan State Oil Company Limited (15,000 shares having market value of Rs. 2.657 million)
- Sui Northern Gas Pipeline Limited (60,000 shares having market value of Rs. 4.411 million)
- United Bank Limited (15,500 shares having market value of Rs. 2.756 million)

**5.1.3** These represent gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, have filed a petition in the Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 57(3)(viii) of Part I and 47B of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement having fair market value of Rs.0.153 million (June 2023: 0.123 million) and not yet deposited with Government Treasury. Pension Fund Manager is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis.

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

#### Held by Debt Sub-Fund

Tenor	Issue date	Face value				Carrying Value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at December 31, 2023				Total Investments	Net Assets
(Rupees in '000)										
-----%										
<b>Market Treasury Bills</b>										
Treasury Bill - 3 months	June 15, 2023	14,000	-	14,000	-	-	-	0.00%	0.00%	
Treasury Bill - 12 months	November 16, 2023	-	250,000	250,000	-	-	-	0.00%	0.00%	
Treasury Bill - 6 months	November 16, 2023	-	100,000	100,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	November 16, 2023	-	100,000	100,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	October 19, 2023	-	100,000	100,000	-	-	-	0.00%	0.00%	
Treasury Bill - 12 months	October 19, 2023	-	50,000	50,000	-	-	-	0.00%	0.00%	
Treasury Bill - 6 months	October 19, 2023	-	100,000	100,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	September 21, 2022	-	125,000	125,000	-	-	-	0.00%	0.00%	
Treasury Bill - 12 months	November 30, 2022	-	150,000	150,000	-	-	-	0.00%	0.00%	
Treasury Bill - 6 months	November 30, 2022	-	150,000	150,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	September 21, 2022	-	14,000	14,000	-	-	-	0.00%	0.00%	
<b>Total as at December 31, 2023</b>		<b>14,000</b>	<b>1,139,000</b>	<b>1,153,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	
Total as at June 30, 2023		30,300	1,756,100	1,742,100	14,000	13,455	13,436	(19)	5.51%	
<b>Pakistan Investment Bonds</b>										
Pakistan Investment Bonds	April 06, 2023	-	200,000	200,000	-	-	-	0.00%	0.00%	
Pakistan Investment Bonds	July 04, 2023	-	225,000	125,000	100,000	89,075	89,573	498	27.19%	
Pakistan Investment Bonds	October 13, 2023	-	75,000	-	75,000	63,557	63,208	(349)	19.19%	
Pakistan Investment Bonds	October 19, 2023	-	170,000	170,000	-	-	-	0.00%	0.00%	
Pakistan Investment Bonds	October 19, 2023	-	450,000	335,000	115,000	111,324	111,470	146	33.84%	
<b>Total as at December 31, 2023</b>		<b>-</b>	<b>1,120,000</b>	<b>830,000</b>	<b>290,000</b>	<b>263,956</b>	<b>264,251</b>	<b>295</b>	<b>80.21%</b>	
Total as at June 30, 2023		-	1,325,000	1,325,000	-	-	-	-	0.00%	

#### GOP Ijara sukuk certificates

Issue details	Issue date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales during the period	As at December 31, 2023				Total Investments	Net Assets
(Rupees in '000)										
-----%										
GOP Ijarah Sukuk 1 Year	May 22, 2023	155,500	-	155,500	-	-	-	0.00%	0.00%	
GOP Ijarah Sukuk 1 Year	April 17, 2023	-	185,000	185,000	-	-	-	0.00%	0.00%	
<b>Total as at December 31, 2023</b>		<b>155,500</b>	<b>185,000</b>	<b>340,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	
Total as at June 30, 2023		-	420,000	264,500	155,500	155,500	155,605	105	0.00%	

#### Held by Money Market Sub-Fund

Tenor	Issue date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at December 31, 2023				Total Investments	Net Assets
(Rupees in '000)										
-----%										
<b>Treasury bill</b>										
Treasury Bill - 6 months	March 27, 2023	-	526,000	526,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	April 20, 2023	-	13,000	13,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	May 04, 2023	-	21,000	21,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	June 1, 2023	-	76,500	76,500	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	June 15, 2023	345,000	77,000	422,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	June 22, 2023	-	1,192,000	1,192,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	August 10, 2023	-	66,200	66,200	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	September 07, 2023	-	498,000	498,000	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	September 21, 2023	-	405,500	405,500	-	-	-	0.00%	0.00%	
Treasury Bill - 3 months	October 05, 2023	-	9,000	9,000	-	-	-	0.00%	0.00%	
Treasury Bill - 6 months	October 19, 2023	-	150,000	75,000	75,000	70,531	70,551	20	15.33%	
Treasury Bill - 6 months	November 16, 2023	-	250,000	-	250,000	231,938	231,584	(354)	50.32%	
Treasury Bill - 6 months	November 30, 2023	-	200,000	65,000	135,000	124,306	124,110	(196)	26.97%	
<b>Total as at December 31, 2023</b>		<b>345,000</b>	<b>3,484,200</b>	<b>3,369,200</b>	<b>460,000</b>	<b>426,775</b>	<b>426,245</b>	<b>(530)</b>	<b>92.61%</b>	
Total as at June 30, 2023		-	11,304,680	10,959,680	345,000	331,543	331,094	(449)	50.28%	

Tenor	Issue date	Face value				Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at December 31, 2023				Total Investments	Net Assets
(Rupees in '000) ----- %-----										
<b>Pakistan Investment Bonds</b>										
Pakistan Investment Bonds	August 26, 2021	235,000	-	235,000	-	-	-	0.00%	0.00%	
Pakistan Investment Bonds	December 30, 2021	-	540,000	540,000	-	-	-	0.00%	0.00%	
<b>Total as at December 31, 2023</b>		<b>235,000</b>	<b>540,000</b>	<b>775,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>	
Total as at June 30, 2023		-	684,100	449,100	235,000	234,321	234,436	115	35.60% 33.28%	

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

### Held by Debt Sub-Fund

Name of the Investee Company	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
								Total Investments	Net Assets
(Number of certificates) ----- (Rupees in '000)----- %-----									
<b>Commercial Banks</b>									
Askari Bank Limited*	-	30	-	30	28,650	29,850	1,200	9.06%	6.26%
Bank Alfalah *	2,400	-	-	2,400	11,340	11,932	592	3.62%	2.50%
Soneri Bank *	200	-	-	200	19,585	19,988	403	6.07%	4.19%
<b>Total as at December 31, 2023</b>	<b>2,600</b>	<b>30</b>	<b>-</b>	<b>2,630</b>	<b>59,575</b>	<b>61,770</b>	<b>2,195</b>	<b>18.75%</b>	<b>12.95%</b>

Name of the Investee Company	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
								Total Investments	Net Assets
(Number of certificates) ----- (Rupees in '000)----- %-----									
<b>Multiutilities</b>									
Lucky Electric Power Company Limited - 130623 **	35	-	35	-	-	-	-	0.00%	0.00%
K-Electric Limited - 090223 **	3	-	3	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2023</b>	<b>38</b>	<b>-</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Miscellaneous</b>									
OBS AGP (Private) Limited **	20	-	-	20	1,378	1,383	5	0.42%	0.29%
TPL Trakker Limited **	4	-	-	4	1,993	2,037	44	0.62%	0.43%
Jahangir Siddiqui and Company Limited *	2,000	-	2,000	-	-	-	-	0.00%	0.00%
<b>Total as at December 31, 2023</b>	<b>2,024</b>	<b>-</b>	<b>2,000</b>	<b>24</b>	<b>3,371</b>	<b>3,420</b>	<b>49</b>	<b>1.04%</b>	<b>0.72%</b>
Total as at June 30, 2023	4,546	298	182	4,662	74,867	74,670	(197)	30.64%	19.67%

### Held by Money Market Sub-Fund

Name of the Investee Company	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized (diminution)/appreciation as at December 31, 2023	Market value as a percentage of	
								Total Investments	Net Assets
<b>Multiutilities</b>									
K-Electric Limited 090223 **	10	-	10	-	-	-	-	0.00%	0.00%
K-Electric Limited 180523 **	18	-	18	-	-	-	-	0.00%	0.00%
China Power Hub Generation Company - 280323 **	35	-	35	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - 130623 **	30	-	30	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - 150823 **	-	34	-	34	34,000	34,000	-	7.39%	3.91%
<b>Total as at December 31, 2023</b>	<b>93</b>	<b>34</b>	<b>93</b>	<b>34</b>	<b>34,000</b>	<b>34,000</b>	<b>-</b>	<b>7.39%</b>	<b>3.91%</b>
Total as at June 30, 2023	25	185	117	93	93,000	93,000	-	14.12%	13.21%

\* Term Finance Certificates (TFC)

\*\* Sukuk Bonds

5.4.1 Significant terms and conditions of term finance certificates and sukuk bonds outstanding as at December 31, 2023 are as follows:

Name of investee company	Remaining principal (Rupees per TFC & Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
Askari Bank Limited	1,000,000	3 Months KIBOR+1.2%	March 17, 2020	March 17, 2030
Bank Alfalah Limited	5,000	3 Years PKRV + 0.75%	January 15, 2021	January 15, 2024
Soneri Bank	100,000	6 Months KIBOR + 1.7%	December 26, 2022	December 26, 2032
Lucky Electric Power Co Ltd	1,000,000	6 Months KIBOR + 0.5%	August 15, 2023	February 15, 2024
OBS AGP Private Limited	68,750	3 Month KIBOR + 1.55%	July 15, 2021	July 15, 2026
TPL Trakker Limited	555,556	3 Months KIBOR + 3%	March 30, 2021	March 30, 2026

## 5.5 Letter of placement - at amortized cost

### 5.5.1 Held by Money Market Sub-Fund

Name of investee company	Maturity Date	Face Value				Carrying value as at December 31, 2023	Carrying value as a percentage of		
		As at July 1, 2023	Placement made during the period	Income accrued	Matured during the year		Total Investments	Net Assets	
						Rupees in '000		(%)	
Pak brunei investment company limited	September 15, 2023	-	60,000	244	60,000	-	0.00%	0.00%	
		-	60,000	244	60,000	-	-	-	

## 6 DIVIDEND AND PROFIT / MARKUP RECEIVABLE

	December 31, 2023 (Un-Audited)				June 30, 2023 (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								
Dividend receivable	10	-	-	10	7	-	-	7
Profit receivable on bank deposits	16	1,870	4,551	6,437	48	1,899	2,569	4,516
Profit accrued on TFC and sukuk bonds	-	914	3,068	3,982	-	3,741	3,755	7,496
Profit accrued on government securities	-	13,009	340	13,349	-	1,470	5,043	6,513
	26	15,793	7,959	23,778	55	7,110	11,367	18,532

## 7 ADVANCES, DEPOSITS AND OTHER RECEIVABLE

Advance Tax	7.1	53	314	71	438	73	663	84	820
Security deposit with the Central Depository Company of Pakistan Limited		100	100	100	300	100	100	100	300
Security deposit with National Clearing Company of Pakistan		2,500	-	-	2,500	2,500	-	-	2,500
Receivable against sale of investments		-	-	3,000	3,000	110	-	-	110
Receivable from Pension Fund Manager		29	33	45	108	29	33	45	107
		2,682	447	3,216	6,346	2,812	796	229	3,837

7.1 The income the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008- Vol.II-66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under section 151 of ITO 2001 in prior and current periods. The Pension Fund Manager is confident that the amount will be refunded to the Fund.

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

	December 31, 2023 (Un-audited)				June 30, 2023 (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			
Remuneration payable to HBL Asset Management Limited - Pension Fund Manager	83	362	662	1,107	69	324	607	1,000
Sindh Sales Tax payable on Pension Fund Manager's remuneration	11	47	86	144	9	42	79	130
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	100	184	284	-	119	222	341
Other payables	2,500	-	-	2,500	-	-	-	-
	2,594	509	932	4,035	78	485	907	1,470

**8.1** As per regulation 67F of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the period, the fee is being charged at the rate ranging from 1% to 1.5% of the average annual net assets accordingly. The fee is payable in arrears.

**8.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011 effective from July 01, 2017.

**8.3** As per regulation 60 (3)(s) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager may charge fees and expenses related to registrar services, accounting, operation and valuation services related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged at the rate ranging from 0.2% to 0.4% of the average annual net assets of the Debt Sub-fund and Money Market Sub-fund accordingly, while no fees has been allocated to the Equity Sub-fund.

## 9 PAYABLE TO THE TRUSTEE

	December 31, 2023 (Un-audited)				June 30, 2023 (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			
Trustee fee payable	10	55	100	165	10	48	88	146
Sindh Sales Tax payable on remuneration of the Trustee	1	7	13	21	1	6	11	18
	11	62	113	186	11	54	99	164

**9.1** As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged as follows:

Net Assets	Tariff per annum
- Upto Rs.1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets whichever is higher
- Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets exceeding Rs.1 billion
- Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets exceeding Rs.3 billion
- Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets exceeding Rs.6 billion

**9.2** Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011



## 10 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per Clause 36 of the VPS Rules, 2005 the Pension Fund Manager shall pay an annual fee to the Commission an amount equal to one twenty-fifth of one per cent of the average annual net asset value of the pension fund. The fees is chargeable to the fund under Regulation 60 (3)(f) and 67G (3) of the NBFC Regulations and is payable in arrears. During the period the Pension Fund Manager has charged the fees accordingly for the half year period ended December 31, 2023.

## 11 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Rupees in '000				Rupees in '000			
<b>Note</b>								
Auditors' remuneration	37	96	83	215	24	104	173	301
Payable against purchase of investments	252	-	-	252	-	-	-	-
Payable against redemption of units	70	455	1,221	1,746	51	667	1,340	2,058
Payable to National Clearing Company of Pakistan	44	-	-	44	39	-	-	39
Federal Excise Duty payable on Remuneration of Pension Fund Manager	763	878	835	2,477	763	878	836	2,477
Others	11	21	29	61	16	1	-	17
	<b>1,177</b>	<b>1,450</b>	<b>2,168</b>	<b>4,795</b>	<b>893</b>	<b>1,650</b>	<b>2,349</b>	<b>4,892</b>

### 11.1 FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities with Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company, is carrying provision for FED for the period from June 13, 2013 to June 30, 2016 aggregating Rs. 0.880 million, 0.488 million and 0.383 million (June 30, 2023: Rs. 0.880 million, Rs. 0.488 million and Rs. 0.383 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at December 31, 2023 would have been higher by Rs. 4.69, Rs. 0.32 and Rs. 0.12 (June 30, 2023: Rs. 4.01 Rs. 0.64 and Rs. 0.29) per unit respectively.

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2023 and June 30, 2023.

## 13 TAXATION

No provision for taxation for the year ended June 30, 2023 has been made in view of the exemption available under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A Part IV to Second Schedule of the Income Tax Ordinance 2001. Accordingly Super Tax and any other taxes introduced in Finance Act 2015 are also not applicable on Fund.

## 14 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial information as in the opinion of the Pension Fund Manager the determination of the cumulative weighted average number of outstanding units is not practicable.

## 15 CONTRIBUTION TABLE

Contribution received during the period / year is as follows:

		December 31, 2023 (Un-audited)							
From:		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
		Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
Individuals		18,657	7,695	269,505	80,576	628,409	159,941	916,571	248,212
		June 30, 2023 (Audited)							
From:		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
		Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
Individuals		63,028	19,123	597,480	153,674	1,798,100	398,593	2,458,608	571,390

## 16 NUMBER OF UNITS IN ISSUE

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Number of units) -----								
Opening units in issue	190,261	1,362,202	2,898,259	4,450,722	426,826	1,247,541	1,957,660	3,632,027
Units issued during the period / year	18,657	269,505	628,409	916,571	63,028	597,480	1,798,100	2,458,608
Units redeemed during the period / year	(18,207)	(120,868)	(286,719)	(425,794)	(232,653)	(446,149)	(994,059)	(1,672,861)
Reallocation during the period / year	(2,880)	13,684	(10,135)	668	(66,940)	(36,670)	136,558	32,948
<b>Total units in issue at end of the period / year</b>	<b>187,831</b>	<b>1,524,523</b>	<b>3,229,813</b>	<b>4,941,499</b>	<b>190,261</b>	<b>1,362,202</b>	<b>2,898,259</b>	<b>4,450,722</b>

## 16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited being the Pension Fund Manager, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, Collective Investment Schemes and other Voluntary Pension Systems managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager, directors of connected persons and persons having 10% or more beneficial ownership or voting power of the units of the Fund or the capital of the Pension Fund Manager.

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

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

Transactions and balances with parties who were connected persons due to 10% holding or more units and directors and executives of the Pension Fund Manager in the comparative period and not in the current period are not disclosed in the comparative period.

Details of the transactions with connected persons and balances with them are as follows:

	December 31, 2023				December 31, 2022				
	(Un-Audited)				(Un-Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-	Total	
16	Rupees in '000								
Transactions during the year / period									
HBL Asset Management Limited - Pension Fund Manager									
Remuneration to HBL Asset Management Limited - Pension Fund Manager	506	2,052	3,855	6,413	625	688	828	2,141	
Sindh Sales Tax on remuneration of the HBL Asset Management Limited - Pension Fund Manager	66	267	501	834	81	89	108	278	
Allocation of expenses / (reversal) related to registrar services, accounting, operation and valuation services	-	639	1,205	1,844	101	344	207	652	
Central Depository Company of Pakistan Limited - Trustee									
Remuneration of the Trustee	46	290	547	883	63	207	312	581	
Sindh Sales Tax on remuneration of the Trustee	6	38	71	115	8	27	40	76	
Habib Bank Limited - Sponsor									
Bank charges	38	61	58	157	16	19	16	51	
Redemption of Units	-	-	-	-	122,239	-	-	122,239	
Amount of units redeemed	-	-	-	-	37,955	-	-	37,955	
Mark-up on bank deposits	35	102	3,741	3,878	49	2,300	3,000	5,349	
Purchase of T-Bills	-	-	619,616	619,616	-	-	-	-	
Sale of T-Bills	-	95,485	366,755	462,240	-	-	-	-	
Directors and Executives of the Pension Fund Manager and their relatives									
Issuance of units	Number	-	-	19,530	19,530	-	-	13,832	13,832
Amount of units issued	-	-	4,915	4,915	-	-	300,000	300,000	
Redemption of units	Number	30	153	457	-	337	367	367	1,071
Amount of units redeemed	13	45	117	175	634	572	79	1,285	
CDC TRUSTEE HBL Islamic Income Fund - Under Common Management									
Sale of GOP Ijara Sukuk	-	73,391	-	73,391	-	-	-	-	
CDC TRUSTEE HBL Money Market Fund - Under Common Management									
Sale of T-Bills	-	-	72,573	72,573	-	-	-	-	
CDC TRUSTEE HBL Government Securities Fund - Under Common Management									
Sale of Pakistan Investment Bond	-	157,877	-	157,877	-	-	-	-	
Sale of T-Bills	-	123,830	-	123,830	-	-	-	-	
CDC TRUSTEE HBL Cash Fund Fund - Under Common Management									
Sale of T-Bills	-	135,664	58,788	194,452	-	-	-	-	
16	Rupees in '000								
Balances outstanding as at period / year end									
HBL Asset Management Limited - Pension Fund Manager									
Remuneration payable to HBL Asset Management Limited - Pension Fund Manager	83	362	662	1,107	69	324	607	1,000	
Sindh Sales Tax payable on remuneration of the HBL Asset Management Limited - Pension Fund Manager	11	47	86	144	9	42	79	130	
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	100	184	284	-	119	222	341	
Other Payable	2,500	-	-	2,500	-	-	-	-	
Habib Bank Limited - Sponsor									
Bank balances	695	5,480	400,653	406,829	1,129	17,060	21,595	39,784	
Central Depository Company of Pakistan Limited - Trustee									
Trustee fee payable	10	55	100	165	10	48	88	146	
Sindh Sales Tax payable on remuneration of the Trustee	1	7	13	21	1	6	11	19	
Security Deposit receivable	100	100	100	300	100	100	100	300	
Directors and Executives of the Pension Fund Manager and their relatives									
Directors and their relatives									
Units held	Number	18,817	51,061	18,340	88,218	18,930	51,524	19,729	90,183
Amount of units held	8,455	15,933	4,931	29,319	5,708	14,358	4,795	24,861	
Executives and their relatives									
Units held	Number	1,917	1,529	219,970	223,416	-	-	60,692	60,692
Amount of units held	861	477	59,142	60,481	-	-	14,752	14,752	
Directors of connected persons									
Units held	Number	1,727	1,514	138,659	141,900	1,727	1,514	138,659	141,900
Amount of units held	776	472	37,281	38,529	521	422	33,702	34,645	

## 17 FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

- 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).

		Held by Equity sub-fund						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
		At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>On-balance sheet financial instruments</b>								
<b>Financial assets measured at fair value</b>								
- Listed equity securities		84,454	-	84,454	84,454	-	-	84,454
<b>Financial assets not measured at fair value</b>								
- Bank balances	17.2	-	1,078	1,078	-	-	-	-
- Dividend and profit receivable		-	26	26	-	-	-	-
- Deposits and other receivable		-	2,629	2,629	-	-	-	-
		-	3,733	3,733	-	-	-	-
<b>Total financial assets</b>		<b>84,454</b>	<b>3,733</b>	<b>88,187</b>	<b>84,454</b>	<b>-</b>	<b>-</b>	<b>84,454</b>
<b>Financial liabilities not measured at fair value</b>								
- Payable to the Pension Fund Manager	17.2	-	2,583	2,583	-	-	-	-
- Payable to the Trustee		-	10	10	-	-	-	-
- Accrued expenses and other liabilities		-	413	413	-	-	-	-
		-	3,006	3,006	-	-	-	-

		Held by Equity sub-fund						
		June 30, 2023 (Audited)						
		Carrying Amount			Fair Value			
		At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note		(Rupees in '000)						
<b>Financial assets measured at fair value</b>								
- Listed equity securities		52,645	-	52,645	52,645	-	-	52,645
<b>Financial assets not measured at fair value</b>								
- Bank balances	17.2	-	2,864	2,864	-	-	-	-
- Dividend and profit receivable		-	55	55	-	-	-	-
- Deposits and other receivable		-	2,739	2,739	-	-	-	-
		-	5,658	5,658	-	-	-	-
<b>Total financial assets</b>		<b>52,645</b>	<b>5,658</b>	<b>58,303</b>	<b>52,645</b>	<b>-</b>	<b>-</b>	<b>52,645</b>
<b>Financial liabilities not measured at fair value</b>								
- Payable to the Pension Fund Manager	17.2	-	69	69	-	-	-	-
- Payable to the Trustee		-	10	10	-	-	-	-
- Accrued expenses and other liabilities		-	120	120	-	-	-	-
		-	199	199	-	-	-	-

		Held by Debt sub-fund						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
<b>Note</b>		(Rupees in '000)						
<b>Financial assets measured at fair value</b>	17.1							
- Investments - Government Securities		264,251	-	264,251	-	264,251	-	264,251
- Investments- Term finance certificates and sukuk bonds		65,190	-	65,190	-	65,190	-	65,190
		<u>329,441</u>	<u>-</u>	<u>329,441</u>	<u>-</u>	<u>329,441</u>	<u>-</u>	<u>329,441</u>
<b>Financial assets not measured at fair value</b>	17.2							
- Bank balances		-	133,324	133,324	-	-	-	-
- Dividend and profit receivable		-	15,793	15,793	-	-	-	-
- Advances, deposits and other receivable		-	133	133	-	-	-	-
		-	<u>149,250</u>	<u>149,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial assets</b>		<u>329,441</u>	<u>149,250</u>	<u>478,691</u>	<u>-</u>	<u>329,441</u>	<u>-</u>	<u>329,441</u>

		Held by Debt sub-fund						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
<b>Note</b>		(Rupees in '000)						
<b>Financial liabilities not measured at fair value</b>	17.2							
- Payable to the Pension Fund Manager		-	462	462	-	-	-	-
- Payable to the Trustee		-	55	55	-	-	-	-
- Accrued expenses and other liabilities		-	572	572	-	-	-	-
		-	<u>1,089</u>	<u>1,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		Held by Debt sub-fund						
		June 30, 2023 (Audited)						
		Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
<b>Note</b>		(Rupees in '000)						
<b>Financial assets measured at fair value</b>	17.1							
- Investments- Term finance certificates and sukuk bonds		74,670	-	74,670	-	72,234	2,436	74,670
- Investments- Market treasury bills		13,436	-	13,436	-	13,436	-	13,436
- Investments- GOP Ijarah Sukuk		155,605	-	155,605	155,605	-	-	155,605
		<u>243,711</u>	<u>-</u>	<u>243,711</u>	<u>155,605</u>	<u>85,670</u>	<u>2,436</u>	<u>243,711</u>
<b>Financial assets not measured at fair value</b>	17.2							
- Bank balances		-	130,298	130,298	-	-	-	-
- Dividend and profit receivable		-	7,110	7,110	-	-	-	-
- Deposits and other receivable		-	133	133	-	-	-	-
		-	<u>137,541</u>	<u>137,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total financial assets</b>		<u>243,711</u>	<u>137,541</u>	<u>381,252</u>	<u>155,605</u>	<u>85,670</u>	<u>2,436</u>	<u>243,711</u>
<b>Financial liabilities not measured at fair value</b>	17.2							
- Payable to the Pension Fund Manager		-	429	429	-	-	-	-
- Payable to the Trustee		-	48	48	-	-	-	-
- Accrued expenses and other liabilities		-	772	772	-	-	-	-
		-	<u>1,249</u>	<u>1,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

		Held by Money market sub-fund						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note							(Rupees in '000)	
<b>Financial assets measured at fair value</b>								
	- Investments- Term finance certificates and sukuk bonds	34,000	-	34,000	-	34,000	-	34,000
	- Investments- Government securities	426,245	-	426,245	-	426,245	-	426,245
		460,245	-	460,245	-	460,245	-	460,245
<b>Financial assets not measured at fair value</b>								
17.2	- Bank balances	-	401,332	401,332	-	-	-	-
	- Dividend and profit receivable	-	7,959	7,959	-	-	-	-
	- Deposits and other receivable	-	3,145	3,145	-	-	-	-
		-	412,436	412,436	-	-	-	-
	<b>Total financial assets</b>	460,245	412,436	872,681	-	460,245	-	460,245
<b>Financial liabilities not measured at fair value</b>								
17.2	- Payable to the Pension Fund Manager	-	462	462	-	-	-	-
	- Payable to the Trustee	-	55	55	-	-	-	-
	- Accrued expenses and other liabilities	-	1,333	1,333	-	-	-	-
		-	1,850	1,850	-	-	-	-

		Held by Money market sub-fund						
		June 30, 2023 (Audited)						
		Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note							(Rupees in '000)	
<b>Financial assets measured at fair value</b>								
17.1	- Investments- Term finance certificates and sukuk bonds	93,000	-	93,000	-	93,000	-	93,000
	- Investments - Pakistan investment bonds - FRB	234,436	-	234,436	234,436	-	-	234,436
	- Investments- Market treasury bills	331,094	-	331,094	-	331,094	-	331,094
		658,530	-	658,530	234,436	424,094	-	658,530

		Held by Money market sub-fund						
		June 30, 2023 (Audited)						
		Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
Note							(Rupees in '000)	
<b>Financial assets not measured at fair value</b>								
17.2	- Bank balances	-	37,880	37,880	-	-	-	-
	- Dividend and profit receivable	-	11,367	11,367	-	-	-	-
	- Deposits and other receivable	-	145	145	-	-	-	-
		-	49,392	49,392	-	-	-	-
	<b>Total financial assets</b>	658,530	49,392	707,922	234,436	424,094	-	658,530
<b>Financial liabilities not measured at fair value</b>								
17.2	- Payable to the Pension Fund Manager	-	803	803	-	-	-	-
	- Payable to the Trustee	-	88	88	-	-	-	-
	- Accrued expenses and other liabilities	-	1,513	1,513	-	-	-	-
		-	2,404	2,404	-	-	-	-



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**17.1 Valuation techniques**

For level 2 investments at fair value through profit or loss - investment in Market Treasury Bills, Fund uses rates which are derived from PKRV rates at reporting date per certificate multiplied by the number of certificates held as at period end and for the investment in respect of Corporate Sukuk Bonds, Fund uses the rates prescribed by MUFAP.

**17.2** The Fund has not disclosed the fair values of 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.

**17.3 Transfers during the year**

No transfer were made between various levels of fair value hierarchy during the period.

**19 TOTAL EXPENSE RATIO**

Section 67G of the NBFC Regulations 2008 prescribes annualized total expense ratio (TER) limits for Voluntary Pension Schemes (VPSs), based on the current period results total expense ratio is 4.86%, 1.67% & 1.64% which includes 0.5%, 0.22% & 0.22% representing Government Levy and the SECP fee of Equity Sub Fund, Debt Sub Fund, Money Market Sub Fund and Commodity Sub Fund respectively. This ratio is within the maximum limit of 4.5%, 2.5%, & 2% prescribed under the NBFC Regulations for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund.

**20 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, the following material reclassifications have taken place during the year:

	Rupees in '000 (Unaudited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market	Total
- Remuneration to HBL Asset Management Limited Sindh Sales Tax on remuneration to HBL Pension Fund Manager	81	89	108	278
- Remuneration to Central Depository Company of - Sindh Sales Tax on remuneration to Central Pakistan Limited - Trustee	8	27	40	76
- Payable to HBL Asset Management Limited - Pension Fund Manager - Payable to HBL Asset Management Limited - Pension Fund Manager	-	7	39	46
<b>(Sindh Sales Tax )</b>		<b>(Management fee)</b>		
- Remuneration to HBL Asset Management Limited - Pension Fund Manager		- Allocation of fees and expenses related to registrar services, accounting, operation and valuation services		
	101	344	207	207

**21 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on February 16, 2024 by the Board of Directors of the Pension Fund Manager.

**22 GENERAL**

**22.1** Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**22.2** Corresponding figures have been arranged and reclassified, wherever necessary, for better presentation and disclosure, the effect of which is not material.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**

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# **HBL**

## **Islamic Pension Fund**

## FUND INFORMATION

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Name of Fund	Islamic Pension Fund
Name of Auditor	BDO EBRAHIM & Co. Chartered Accountant
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 National Bank of Pakistan Allied Bank Limited Habib Metropolitan Bank Limited Al Baraka Bank Limited UBL Ameen Limited Bank Al Falah Limited

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT TO THE PARTICIPANTS OF HBL ISLAMIC PENSION FUND**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL ISLAMIC PENSION FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub funds', condensed interim statement of cash flows together with a summary of significant accounting policies and other explanatory notes forming parts thereof (here-in-after referred to as the "condensed interim Financial Statement"), for the half year ended December 31, 2023. HBL Asset Management Limited ("the Pension Fund Manager") is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim Financial Statements as at and for the half year ended December 31, 2023 do not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Other matters**

The condensed interim financial statements of the Fund for the year ended June 30, 2023 and condensed interim financial statements of the Fund for the half year ended December 31, 2022 were audited and reviewed by another firm of Chartered Accountants who have expressed an unmodified opinion and unmodified conclusion thereon vide their reports dated September 25, 2023 and February 24, 2023 respectively.

The figures for the quarter ended December 31, 2023 and December 31, 2022 in the condensed interim income statement and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATE: 26 FEB 2024

UDIN: RR202310166Cg6kuDOXv

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**OF PAKISTAN LIMITED**

**Head Office:**

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**TRUSTEE REPORT TO THE PARTICIPANTS**

**HBL ISLAMIC PENSION FUND**

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 29, 2024



**HBL Islamic Pension Fund**  
**Condensed Interim Statement of Assets & Liabilities**  
**AS AT DECEMBER 31, 2023**

	Note	December 31, 2023				June 30, 2023			
		(Un-audited)				(Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees '000)									
<b>ASSETS</b>									
Bank balances	4	6,911	91,389	50,829	149,129	5,752	115,934	93,778	215,464
Investments	5	122,080	201,089	309,119	632,288	75,967	142,486	191,097	409,550
Dividend and profit receivable	6	19	14,122	18,666	32,807	149	8,429	10,186	18,764
Deposits and other receivables	7	2,735	350	454	3,539	5,292	350	454	6,096
<b>Total assets</b>		<b>131,745</b>	<b>306,950</b>	<b>379,068</b>	<b>817,763</b>	<b>87,160</b>	<b>267,199</b>	<b>295,515</b>	<b>649,874</b>
<b>LIABILITIES</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	8	2,665	212	256	3,133	110	308	351	769
Payable to Central Depository Company of Pakistan Limited - Trustee	9	17	44	59	120	14	35	38	87
Payable to Securities and Exchange Commission of Pakistan	10	19	58	68	145	34	67	61	162
Accrued expenses and other liabilities	11	9,473	1,007	1,159	11,639	1,442	2,802	3,295	7,539
<b>Total liabilities</b>		<b>12,174</b>	<b>1,321</b>	<b>1,542</b>	<b>15,037</b>	<b>1,600</b>	<b>3,212</b>	<b>3,745</b>	<b>8,557</b>
<b>NET ASSETS</b>		<b>119,571</b>	<b>305,629</b>	<b>377,526</b>	<b>802,726</b>	<b>85,560</b>	<b>263,987</b>	<b>291,770</b>	<b>641,317</b>
<b>PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)</b>									
		<b>119,571</b>	<b>305,629</b>	<b>377,526</b>	<b>802,726</b>	<b>85,560</b>	<b>263,987</b>	<b>291,770</b>	<b>641,317</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>									
(Number of Units)									
<b>NUMBER OF UNITS IN ISSUE</b>	15	<b>244,071</b>	<b>1,244,307</b>	<b>1,579,144</b>	<b>3,067,522</b>	<b>262,883</b>	<b>1,202,593</b>	<b>1,367,718</b>	<b>2,833,194</b>
(Rupees)									
<b>NET ASSETS VALUE PER UNIT</b>		<b>489.9000</b>	<b>245.6224</b>	<b>239.0706</b>		<b>325.4694</b>	<b>219.5149</b>	<b>213.3260</b>	

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director



**HBL Islamic Pension Fund**  
**Condensed Interim Income Statement (Un-audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Half Year ended December 31, 2023				Half Year ended December 31, 2022				
	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) .....									
<b>INCOME</b>									
Dividend income on equity securities	3,236	-	-	3,236	3,514	-	-	3,514	
Capita gain / (loss) on sale of investments - net	10,951	1,503	2,687	15,141	(1,116)	51	48	(1,017)	
Mark-up on bank deposits	2	9,547	9,331	18,880	221	5,873	6,605	12,699	
Markup / return on investments	-	20,510	26,262	46,772	-	4,189	2,098	6,287	
	14,189	31,560	38,280	84,029	2,619	10,113	8,751	21,483	
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.4	25,502	2,883	3,273	31,658	(5,829)	(242)	(99)	(6,170)
<b>Total Income / (loss)</b>	<b>39,691</b>	<b>34,443</b>	<b>41,553</b>	<b>115,687</b>	<b>(3,210)</b>	<b>9,871</b>	<b>8,652</b>	<b>15,313</b>	
<b>EXPENSES</b>									
Remuneration to HBL Asset Management Limited - Pension Fund Manager	696	1,072	1,255	3,023	742	327	232	1,301	
Sindh Sales Tax on remuneration to HBL Asset Management Limited - Pension Fund Manager	90	139	163	392	96	43	30	169	
Remuneration to Central Depository Company of Pakistan Limited - Trustee	67	214	260	541	74	98	87	259	
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	9	28	33	70	10	13	11	34	
Annual fee - Securities and Exchange Commission of Pakistan	19	58	68	145	20	26	23	69	
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	-	389	456	845	102	163	58	323	
Auditor's remuneration	27	82	83	192	92	71	74	237	
Settlement and bank charges	38	48	45	131	18	20	21	59	
Fees and subscription	247	-	-	247	198	-	-	198	
Security transaction cost	893	11	11	915	486	-	-	486	
Other Expenses	241	-	-	241	97	14	14	125	
<b>Total expenses</b>	<b>2,327</b>	<b>2,041</b>	<b>2,374</b>	<b>6,742</b>	<b>1,935</b>	<b>775</b>	<b>550</b>	<b>3,260</b>	
<b>Net income / (loss) for the period before taxation</b>	<b>37,364</b>	<b>32,402</b>	<b>39,179</b>	<b>108,945</b>	<b>(5,145)</b>	<b>9,096</b>	<b>8,102</b>	<b>12,053</b>	
Taxation	13	-	-	-	-	-	-	-	
<b>Net income / (loss) for the period after taxation</b>	<b>37,364</b>	<b>32,402</b>	<b>39,179</b>	<b>108,945</b>	<b>(5,145)</b>	<b>9,096</b>	<b>8,102</b>	<b>12,053</b>	

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL Islamic Pension Fund**  
**Condensed Interim Income Statement (Un-audited)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

	Quarter ended December 31, 2023				Quarter ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note ----- (Rupees '000) -----								
<b>INCOME</b>								
Dividend income on equity securities	2,692	-	-	2,692	1,720	-	-	1,720
Capita gain / (loss) on sale of investments - net	3,946	1,478	2,677	8,101	12,371	46	76	12,493
Mark-up on bank deposits	-	4,377	5,472	9,849	22	2,712	3,388	6,122
Markup / return on investments	-	11,246	13,240	24,486	-	2,917	1,319	4,236
	6,638	17,101	21,389	45,128	14,113	5,675	4,783	24,571
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	21,046	1,530	-	22,576	(16,241)	166	-	(16,075)
<b>Total Income / (loss)</b>	<b>27,684</b>	<b>18,631</b>	<b>21,389</b>	<b>67,704</b>	<b>(2,128)</b>	<b>5,841</b>	<b>4,783</b>	<b>8,496</b>
<b>EXPENSES</b>								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	371	630	747	1,748	289	182	126	597
Sindh Sales Tax on remuneration to HBL Asset Management Limited - Pension Fund Manager	48	82	97	226	38	24	16	78
Remuneration to Central Depository Company of Pakistan Limited - Trustee Limited - Trustee	34	110	140	284	29	55	47	131
Annual fee - Securities and Exchange Commission of Pakistan	4	14	18	36	4	7	6	17
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	10	30	36	76	12	19	16	47
Auditor's remuneration	-	149	182	331	-	91	31	122
Settlement and bank charges	13	46	47	106	46	37	37	120
Fees and subscription	19	24	23	66	18	20	21	59
Security transaction cost	124	-	-	124	198	-	-	198
Other Expenses	447	6	6	458	80	-	-	80
	121	-	-	121	97	14	14	125
<b>Total expenses</b>	<b>1,189</b>	<b>1,090</b>	<b>1,295</b>	<b>3,576</b>	<b>811</b>	<b>449</b>	<b>314</b>	<b>1,574</b>
<b>Net income / (loss) for the period before taxation</b>	<b>26,495</b>	<b>17,541</b>	<b>20,094</b>	<b>64,128</b>	<b>(2,938)</b>	<b>5,392</b>	<b>4,469</b>	<b>6,922</b>
Taxation	13	-	-	-	-	-	-	-
<b>Net income / (loss) for the period after taxation</b>	<b>26,495</b>	<b>17,541</b>	<b>20,094</b>	<b>64,128</b>	<b>(2,938)</b>	<b>5,392</b>	<b>4,469</b>	<b>6,922</b>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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



**HBL Islamic Pension Fund**  
**Condensed Interim Statement Of Comprehensive Income (Un-audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Half Year ended December 31, 2023				Half Year ended December 31, 2022			
	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) -----							
Net income / (loss) for the period after taxation	37,364	32,402	39,179	108,945	(5,145)	9,096	8,102	12,053
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	<u>37,364</u>	<u>32,402</u>	<u>39,179</u>	<u>108,945</u>	<u>(5,145)</u>	<u>9,096</u>	<u>8,102</u>	<u>12,053</u>

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL Islamic Pension Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-audited)**  
**FOR THE QUARTER ENDED DECEMBER 31, 2023**

	Quarter ended December 31, 2023				Quarter ended December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Net income / (loss) for the period after taxation	26,495	17,541	20,094	64,130	(2,938)	5,392	4,469	6,923
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	26,495	17,541	20,094	64,130	(2,938)	5,392	4,469	6,923

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

# HBL Islamic Pension Fund

## Condensed Interim Statement of Movement in Participants' Sub Funds (Un-audited)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

	December 31, 2023				December 31, 2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	----- (Rupees '000) -----							
Net assets at beginning of the period (Audited)	85,560	263,987	291,770	641,317	133,102	110,886	99,355	343,343
Amount received on issuance of units	58,473	95,036	128,673	282,182	6,592	97,838	53,051	157,481
Amount paid on redemption of units	(61,826)	(85,796)	(82,096)	(229,718)	(63,657)	(27,671)	(22,184)	(113,512)
	(3,353)	9,240	46,577	52,464	(57,065)	70,167	30,867	43,969
Capital gain / (loss) on sale of investments - net	10,951	1,503	2,687	15,141	(1,116)	51	48	(1,017)
Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	25,502	2,883	3,273	31,658	(5,829)	(242)	(99)	(6,170)
Other net income for the period	911	28,016	33,219	62,146	1,800	9,287	8,153	19,240
Total comprehensive (loss) / income for the period	37,364	32,402	39,179	108,945	(5,145)	9,096	8,102	12,053
Net assets at end of the period (Unaudited)	119,571	305,629	377,526	802,726	70,892	190,149	138,324	399,365
	----- (Rupees) -----				----- (Rupees) -----			
Net assets value per unit at beginning of the period (Audited)	325.4694	219.5149	213.3260		353.0630	187.3649	182.4250	
Net assets value per unit at end of the period (Unaudited)	489.9000	245.6224	239.0706		329.9190	200.9388	195.6684	

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

\_\_\_\_\_  
Chief Financial Officer

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

\_\_\_\_\_  
Director

**HBL Islamic Pension Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	December 31, 2023				December 31, 2022				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note ..... (Rupees '000) .....									
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Net income / (loss) for the period before taxation (Unaudited)	37,364	32,402	39,179	108,945	(5,145)	9,096	8,102	12,053	
Adjustments for:									
Capita gain / (loss) on sale of investments - net	(10,951)	(1,503)	(2,687)	(15,141)	1,116	(51)	(48)	1,017	
Net unrealized loss / (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(25,502)	(2,883)	(3,273)	(31,658)	5,829	242	99	6,170	
Dividend Income	(3,236)	-	-	(3,236)	(3,514)	-	-	(3,514)	
Profit on bank deposits	(2)	(9,547)	(9,331)	(18,880)	(221)	(5,873)	(6,605)	(12,699)	
Profit from investments	-	(20,510)	(26,262)	(46,772)	-	(4,189)	(2,098)	(6,287)	
	(2,327)	(2,041)	(2,374)	(6,742)	(1,935)	(775)	(550)	(3,260)	
<b>(Increase) / decrease in assets</b>									
Investments -net	(9,660)	(54,217)	(112,062)	(175,939)	54,958	(80,297)	(33,952)	(59,291)	
Deposits and other receivables	2,557	-	-	2,557	(1,919)	(15)	(11)	(1,945)	
	(7,103)	(54,217)	(112,062)	(173,382)	53,039	(80,312)	(33,963)	(61,236)	
<b>Increase / (decrease) in liabilities</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	2,555	(96)	(95)	2,364	(265)	899	19	653	
Payable to Central Depository Company of Pakistan Limited - Trustee	3	9	21	33	(12)	11	6	5	
Payable to Securities and Exchange Commission of Pakistan	(15)	(9)	7	(17)	(24)	2	4	(18)	
Accrued expenses and other liabilities	8,031	(1,795)	(2,136)	4,100	(253)	132	419	298	
	10,574	(1,891)	(2,203)	6,480	(554)	1,044	448	938	
Cash generated from operations:									
Dividend received	3,234	-	-	3,234	3,512	-	-	3,512	
Profit received on bank deposits	134	9,542	8,760	18,436	131	5,743	5,118	10,992	
Profit received on investments	-	14,822	18,353	33,175	-	1,437	629	2,066	
	4,512	(33,785)	(89,526)	(118,799)	54,193	(72,863)	(28,318)	(46,988)	
Net cash generated from / (used in) operating activities									
	4,512	(33,785)	(89,526)	(118,799)	54,193	(72,863)	(28,318)	(46,988)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
Amount received on issuance of units	58,473	95,036	128,673	282,182	6,592	97,838	53,051	157,481	
Amount paid on redemption of units	(61,826)	(85,796)	(82,096)	(229,718)	(63,657)	(27,671)	(22,184)	(113,512)	
Net cash generated / (used in) from financing activities	(3,353)	9,240	46,577	52,464	(57,065)	70,167	30,867	43,969	
Net (decrease) / increase in cash and cash equivalents	1,159	(24,545)	(42,949)	(66,335)	(2,872)	(2,696)	2,549	(3,019)	
Cash and cash equivalents at beginning of the period (Audited)	5,752	115,934	93,778	215,464	4,065	88,713	88,027	180,805	
Cash and cash equivalents at end of the period (Unaudited)	4.1	6,911	91,389	50,829	149,129	1,193	86,017	90,576	177,784

The annexed notes 1 to 21 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

# HBL Islamic Pension Fund

## Notes to the Condensed Interim Financial Information (Unaudited)

### FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

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

HBL Islamic Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager (the Pension Fund Manager) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011. The Fund is registered on September 08, 2021 with Assistant Director of Industries and Commerce (Trust Wing) Government of Sindh under Section 12A of the Sindh Trusts Act, 2020.

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

1.3 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.

1.4 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Al-Hilal Shariah Advisors (Private) Limited as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

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

- The Equity Sub-Fund consists of a minimum 90% of net assets invested in Shariah compliant listed equity securities. Investment in a single company is restricted to lower of 15% 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 35% of NAV or index weight, subject to a maximum of 40% of NAV. Remaining assets of the Equity Sub-Fund may be invested in any government security having less than one year time to maturity, or be deposited with Islamic commercial banks or Islamic window of a commercial bank having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. In case the Shariah compliant securities issued by Federal Government are not available to comply with above, the assets of a Shariah compliant debt sub-fund may be deposited in Islamic commercial banks, having not less than "A+" rating or Islamic window of commercial banks, having not less than "AA" rating, or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. Time to maturity of any assets in the portfolio shall not exceed six months except in the case of Shariah Compliant Government Securities which may be upto 5 years. There is no restriction on the amount of investment in securities issued by Federal Government and Islamic windows of commercial banks having 'AA' rating provided that deposits with one bank shall not exceed 15% of net assets of Money Market Sub-Fund. Composition of the remaining shall be in proportion as defined in offering document.

1.6 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.

1.7 VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable Outlook)' on December 29, 2023 (December 2022 : AM21) to the Pension Fund Manager.

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

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**1.9** Pursuant to the enactment of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021), the Trusts including Collective Investment Schemes, Private Funds, etc, being Specialized Trusts are required to be registered with the Assistant Directorate of Industries and Commerce (Trust Wing), Government of Sindh under Section 12 of the Sindh Trusts Act, 2020 (as amended vide Sindh Trusts (Amended) Act, 2021). In this regard, the Pension Fund Manager submitted restated Trust Deed of the Fund which was duly registered on September 08, 2021.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules), Voluntary Pension System Part V (NBFC Regulations, 2008) and requirements of the trust deed; and
- "Provisions of and or directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984."

In case where requirements of the VPS Rules, or provisions of and/or directives issued under the Companies Act, 2017, Part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and the requirements of the Trust Deed differ from the requirement of IAS 34 Interim Financial Reporting, the VPS Rules and the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and requirement of Trust Deed have been followed.

**2.1.1** This condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2023. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

**2.1.2** These condensed interim financial statements are being submitted to the participants as required under Regulation 67B(vi) of the NBFC Regulations, 2008.

**2.2** These condensed interim financial statements is presented in Pakistan 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 statements are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year ended June 30, 2023.

**3.2** There are certain standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that became effective during the period under review and are mandatory for the Fund's accounting periods. These standards ,interpretations and amendmends are either not relevant to the Fund's operation or are not expected to have a significant effect on this condensed interim financial statements.

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2023.

**3.4** The financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements as at and for the year ended June 30, 2023.

#### 4. BANK BALANCES

Note	December 31, 2023 (Un-audited)				June 30, 2023 (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) -----									
Savings accounts	4.1	6,911	91,389	50,829	149,129	5,752	115,934	93,778	215,464

4.1 This includes balances of Rs. 1.70, Rs. 4.15 & Rs. 8.71 million (June 30, 2023: Rs. 4.60, Rs. 28.52 & Rs. 24.33 million) of equity sub fund, debt sub fund and money market sub sub fund respectively placed with Habib Bank Limited (a related party) and these accounts carry profit at the rates of 17.5 to 21.06% (June 30 2023: 5.5% to 6.5%) respectively. Other PLS accounts of the Fund carry profit at the rates of 20% to 21.24% (June 30 2023: 5.5% to 19.5%) per annum.

#### 5. INVESTMENTS

		December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money market Sub-Fund	Total
----- (Rupees in '000) -----									
<b>Financial assets at fair value through profit and loss</b>									
Listed equity securities	5.1	122,080	-	-	122,080	75,967	-	-	75,967
Government securities - Ijarah sukuks	5.2	-	191,265	304,119	495,384	-	100,067	145,097	245,164
Sukuk bonds	5.3	-	9,824	5,000	14,824	-	42,419	46,000	88,419
		122,080	201,089	309,119	632,288	75,967	142,486	191,097	409,550

#### 5.1 Listed Equity Securities - at fair value through profit or loss

##### 5.1.1 Held by Equity sub fund

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

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / Right issued / (Share Adjustment) during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized gain / (loss)	Market Value as a percentage of		Percentage of paid up capital of the investee company held
									Net assets of the sub fund	Investments of sub fund	
----- (Number of shares) -----											
----- (Rupees in '000) -----											
----- (%) -----											
<b>CEMENT</b>											
Kohat Cement Limited	-	21,000	-	21,000	-	-	-	-	0.00%	0.00%	0.00%
Lucky Cement Limited	13,750	25,740	-	39,490	-	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	79,905	175,400	-	202,005	53,300	3,159	4,125	966	3.45%	3.38%	0.01%
Cherat Cement Company Limited	23,500	40,627	-	45,800	18,327	2,443	2,987	544	2.50%	2.45%	0.01%
Pioneer Cement Limited	-	59,300	-	59,300	59,300	6,656	6,816	160	5.70%	5.58%	0.03%
Fauji Cement Company Limited	275,000	257,000	-	337,000	195,000	2,868	3,689	821	3.09%	3.02%	0.01%
Maple Leaf Cement Factory Limited	175,000	393,000	-	413,000	155,000	4,764	6,033	1,269	5.05%	4.94%	0.01%
	567,155	972,067	-	1,058,295	480,927	19,890	23,650	3,761	19.37%	19.78%	0.07%
<b>CHEMICAL</b>											
Ittehad Chemicals Limited	-	22,500	-	-	22,500	1,110	1,132	22	0.95%	0.93%	0.02%
	-	22,500	-	-	22,500	1,110	1,132	22	0.93%	0.95%	0.02%
<b>COMMERCIAL BANKS</b>											
Bank Islami Pakistan Limited	179,511	146,000	-	325,511	-	-	-	-	0.00%	0.00%	0.00%
Faysal Bank Limited	-	171,000	-	171,000	-	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	59,040	73,000	-	132,040	-	-	-	-	0.00%	0.00%	0.00%
	238,551	390,000	-	628,551	-	-	-	-	0.00%	0.00%	0.00%
<b>ENGINEERING</b>											
Mughal Iron and Steel Industries Limited	-	69,000	-	69,000	-	-	-	-	0.00%	0.00%	0.00%
International Steels Ltd. NC	-	63,739	-	23,352	40,387	2,411	2,949	538	2.47%	2.42%	0.01%
	-	132,739	-	92,352	40,387	2,411	2,949	538	2.42%	2.47%	0.01%
<b>FERTILIZER</b>											
Engro Fertilizers Limited	69,804	131,355	-	193,154	8,005	653	898	245	0.75%	0.74%	0.00%
Engro Corporation Limited	12,600	61,440	-	66,100	7,940	2,165	2,342	177	1.96%	1.92%	0.00%
	82,404	192,795	-	259,254	15,945	2,818	3,240	422	2.65%	2.71%	0.00%
<b>OIL AND GAS EXPLORATION COMPANIES</b>											
Oil & Gas Development Company Limited*	80,800	138,200	-	93,100	125,900	11,516	14,157	2,641	11.84%	11.60%	0.00%
Mari Petroleum Company Limited	3,180	4,164	-	7,344	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Petroleum Limited*	105,612	186,500	-	169,500	122,612	8,410	14,104	5,694	11.80%	11.55%	0.00%
	189,592	328,864	-	269,944	248,512	19,926	28,262	8,335	23.15%	23.64%	0.01%

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus / Right issued / (Share Adjustment) during the period	Sales during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized gain / (loss)	Market Value as a percentage of		Percentage of paid up capital of the investee company held
									Net assets of the sub fund	Investments of sub fund	
	(Number of shares)				(Rupees in '000')			(%)			
<b>OIL AND GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited**	237	91,600	-	44,000	47,837	6,245	8,453	2,209	7.07%	6.92%	0.01%
Attock Petroleum Limited	-	3,800	-	3,800	-	-	-	-	0.00%	0.00%	0.00%
Shell Pakistan Limited	-	45,450	-	37,600	7,850	1,062	1,181	119	0.99%	0.97%	0.00%
Sui Northern Gas Pipelines Limited*	60,982	318,859	-	256,700	123,141	5,475	9,053	3,578	7.57%	7.42%	0.02%
Sui Southern Gas Co. Ltd. NC	-	42,000	-	42,000	-	-	-	-	0.00%	0.00%	0.00%
	61,219	501,709	-	384,100	178,828	12,782	18,688	5,906	15.31%	15.63%	0.03%
<b>FOOD AND PERSONAL CARE PRODUCT</b>											
Unity Foods Limited	-	120,500	-	120,500	-	-	-	-	0.00%	0.00%	0.00%
	-	120,500	-	120,500	-	-	-	-	0.00%	0.00%	0.00%
<b>MISCELLANEOUS</b>											
Pakistan Aluminium Beverage Cans Limited	-	29,700	-	29,700	-	-	-	-	0.00%	0.00%	0.00%
Pakistan Hotels Developers	-	1,000	-	1,000	-	-	-	-	0.00%	0.00%	0.00%
	-	30,700	-	30,700	-	-	-	-	0.00%	0.00%	0.00%
<b>PHARMACEUTICALS</b>											
Ferozsons Laboratories Limited	-	9,800	-	-	9,800	1,962	2,162	200	1.81%	1.77%	0.02%
Highnoon Laboratories Limited	6,095	7,000	-	9,300	3,795	1,391	1,915	524	1.60%	1.57%	0.01%
AGP Limited	-	16,125	-	16,125	-	-	-	-	0.00%	0.00%	0.00%
Searle Pakistan Limited**	457	48,600	-	5,000	44,057	1,852	2,268	416	1.90%	1.86%	0.01%
	6,552	81,525	-	30,425	57,652	5,204	6,345	1,141	5.20%	5.31%	0.04%
<b>POWER GENERATION AND DISTRIBUTION</b>											
Nishat Power Limited*	-	284,699	-	174,202	110,497	2,389	3,420	1,031	2.86%	2.80%	0.03%
Hub Power Company Limited	95,000	141,100	-	129,800	106,300	9,674	12,447	2,773	10.41%	10.20%	0.01%
Nishat Chunian Power Ltd. NC	-	338,000	-	292,500	45,500	960	1,273	312	1.06%	1.04%	0.01%
K-Electric Ltd NC	-	255,000	-	-	255,000	1,185	1,341	157	1.12%	1.10%	0.00%
Kot Addu Power Company. NC	-	80,000	-	80,000	-	-	-	-	0.00%	0.00%	0.00%
	95,000	1,098,799	-	676,502	517,297	14,208	18,480	4,273	15.14%	15.46%	0.05%
<b>REFINERY</b>											
Attock Refinery Limited	6,781	17,500	-	24,281	-	-	-	-	0.00%	0.00%	0.00%
	6,781	17,500	-	24,281	-	-	-	-	0.00%	0.00%	0.00%
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Systems Limited	10,150	8,200	-	18,350	-	-	-	-	0.00%	0.00%	0.00%
Air Link Communication Limited	-	72,000	-	14,000	58,000	2,934	3,524	590	2.95%	2.89%	0.01%
TPL Trakker Limited	296,500	-	-	296,500	2,621	2,333	(288)	1.95%	1.91%	0.16%	
	306,650	80,200	-	32,350	354,500	5,555	5,858	302	4.80%	4.90%	0.17%
<b>GLASS AND CERAMICS</b>											
Tariq Glass Limited	-	170,765	-	170,765	-	-	-	-	0.00%	0.00%	0.00%
	-	170,765	-	170,765	-	-	-	-	0.00%	0.00%	0.00%
<b>TRANSPORT</b>											
Millat Tractors Limited	-	3,500	-	3,500	-	-	-	-	0.00%	0.00%	0.00%
	-	3,500	-	3,500	-	-	-	-	0.00%	0.00%	0.00%
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Baluchistan Wheels Limited	-	24,500	-	2,000	22,500	3,282	4,399	1,117	3.68%	3.60%	0.17%
	-	24,500	-	2,000	22,500	3,282	4,399	1,117	3.60%	3.68%	0.17%
<b>PAPER &amp; BOARD</b>											
Century Paper & Board Mills	-	121,500	-	23,500	98,000	3,417	3,191	(226)	2.67%	2.61%	0.02%
	-	121,500	-	23,500	98,000	3,417	3,191	(226)	2.61%	2.67%	0.02%
<b>PHARMACEUTICALS</b>											
Citi Pharma Limited	-	82,000	-	82,000	-	-	-	-	0.00%	0.00%	0.00%
	-	82,000	-	82,000	-	-	-	-	0.00%	0.00%	0.00%
<b>FERTILIZER</b>											
Fauji Fertilizer Bin Qasim Limited	-	34,000	-	-	34,000	978	1,085	106	0.91%	0.89%	0.00%
Fauji Fertilizer Company Limited NC	-	11,000	-	-	11,000	1,298	1,245	(53)	1.04%	1.02%	0.00%
	-	45,000	-	-	45,000	2,276	2,330	54	1.91%	1.95%	0.00%
<b>GLASS &amp; CERAMICS</b>											
Ghani Glass Limited	-	36,000	-	36,000	-	-	-	-	0.00%	0.00%	0.00%
	-	36,000	-	36,000	-	-	-	-	0.00%	0.00%	0.00%
<b>AUTOMOBILE ASSEMBLER</b>											
Honda Atlas Cars (Pakistan) Limited	-	3,000	-	3,000	-	-	-	-	0.00%	0.00%	0.00%
Sazgar Engineering Works Ltd.	-	29,900	-	9,900	20,000	3,699	3,557	(142)	2.97%	2.91%	0.03%
Pak Suzuki Motor Co. Limited	-	3,000	-	3,000	-	-	-	-	0.00%	0.00%	0.00%
	-	35,900	-	15,900	20,000	3,699	3,557	(142)	2.91%	2.97%	0.03%
<b>LEATHER &amp; TANNERIES</b>											
Service Global Footwear Ltd.XD NC	-	12,000	-	12,000	-	-	-	-	0.00%	0.00%	0.00%
	-	12,000	-	12,000	-	-	-	-	0.00%	0.00%	0.00%
<b>Total as at December 31, 2023</b>	<b>1,553,904</b>	<b>4,501,063</b>	<b>-</b>	<b>3,952,919</b>	<b>2,102,048</b>	<b>96,578</b>	<b>122,080</b>	<b>25,502</b>			
Total as at June 30, 2023	1,971,385	5,842,971	33,804	6,294,256	1,553,904	77,914	75,967	(1,947)			

\* The above investments include shares with market value aggregating to Rs. 28.058 million which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP. The details of pledged shares are as follows:

- Oil & Gas Development Company Limited (74,300 shares having market value of Rs. 8.355 million)
- Pakistan Petroleum Limited (77,100 shares having market value of Rs. 8.869 million)
- Sui Northern Gas Pipelines Limited (120,000 shares having market value of Rs. 8.822 million)
- Nishat Power Limited (65,000 shares having market value of Rs. 2.012 million)



\*\* These represent gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, have filed a petition in the Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 57(3)(viii) of Part I and 47B of Part IV of the Second Schedule of the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement having fair market value of Rs.0.07 million (June 2023: 0.04 million) and not yet deposited with Government Treasury. Pension Fund Manager is of the view that the decision will be in its favour and accordingly has recorded the bonus shares on gross basis.

## 5.2 Government securities - Ijarah sukuks

### 5.2.1 Held by Debt sub fund

Issue Date	Tenor	Face value			Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized gain / (loss)	Market value as a percentage of	
		As at July 1, 2023	Purchases during the year	Sales during the year				As at December 31, 2023	Total investments of sub-fund
							(Rupees in '000)		
April 17, 2023	1 Year	-	283,000	283,000	-	-	-	0.00%	0.00%
May 22, 2023	1 Year	100,000	-	100,000	-	-	-	0.00%	0.00%
June 26, 2023	1 Year	-	11,200	-	11,200	11,293	(9)	5.61%	3.69%
August 7, 2023	1 Year	-	91,700	89,600	2,100	2,101	28	1.06%	0.70%
October 9, 2023	1 Year	-	175,000	-	175,000	177,853	2,853	88.44%	58.19%
<b>Total as at December 31, 2023</b>		<b>100,000</b>	<b>560,900</b>	<b>472,600</b>	<b>188,300</b>	<b>188,394</b>	<b>2,871</b>	<b>95.44%</b>	<b>62.58%</b>
Total as at June 30, 2023		-	380,000	280,000	100,000	100,000	67	70.23%	37.91%

### 5.2.2 Held by Money Market sub fund

Issue Date	Tenor	Face value			Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized gain / (loss)	Market value as a percentage of		
		As at July 1, 2023	Purchases during the period	Sales / matured during the period				As at December 31, 2023	Total investments of sub-fund	Net assets of sub-fund
							(Rupees in '000)			
April 17, 2023	1 Year	-	684,000	684,000	-	-	-	0.00%	0.00%	
May 22, 2023	1 Year	145,000	50,000	145,000	50,000	50,000	50,365	365	16.29%	13.34%
June 26, 2023	1 Year	-	11,200	11,200	-	-	-	-	0.00%	0.00%
August 7, 2023	1 Year	-	60,000	60,000	-	-	-	-	0.00%	0.00%
October 9, 2023	1 Year	-	225,000	-	225,000	225,846	228,667	2,821	73.97%	60.57%
December 4, 2023	3 Year	-	25,000	-	25,000	25,000	25,087	87	8.12%	6.65%
<b>Total as at December 31, 2023</b>		<b>145,000</b>	<b>1,055,200</b>	<b>900,200</b>	<b>300,000</b>	<b>300,846</b>	<b>304,119</b>	<b>3,273</b>	<b>98.38%</b>	<b>80.56%</b>
Total as at June 30, 2023		-	351,000	206,000	145,000	145,000	145,097	97	75.93%	49.73%

### 5.3 Sukuk bonds

#### 5.3.1 Held by Debt sub fund

	As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized gain / (loss)	Market value as a percentage of	
								Total investments of sub-fund	Net assets of sub-funds
	(Number of certificates)				Rupees in ('000)			(%)	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited - 190320	50	-	-	50	1,256	1,252	(4)	0.62%	0.41%
K-Electric Limited 090223	9	-	9	-	-	-	-	0.00%	0.00%
China Power Hub Generation Company - 280323	15	-	15	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - 130623	13	-	13	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - 160823	-	6	-	6	6,000	6,000	-	2.98%	1.96%
	<b>87</b>	<b>6</b>	<b>37</b>	<b>56</b>	<b>7,256</b>	<b>7,252</b>	<b>(4)</b>	<b>3.61%</b>	<b>2.37%</b>
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
TPL Trakker Limited	1	-	-	1	498	509	11	0.25%	0.17%
	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>498</b>	<b>509</b>	<b>11</b>	<b>0.25%</b>	<b>0.17%</b>
<b>MISCELLANEOUS</b>									
Agha Steel Industries Limited - 091018	1	-	1	-	-	-	-	0.00%	0.00%
Agha Steel Industries Limited - 090823	-	1	-	1	680	680	-	0.34%	0.22%
OBS AGP	20	-	-	20	1,378	1,383	6	0.69%	0.45%
	<b>21</b>	<b>1</b>	<b>1</b>	<b>21</b>	<b>2,058</b>	<b>2,063</b>	<b>6</b>	<b>1.03%</b>	<b>0.68%</b>
<b>Total as at December 31, 2023</b>	<b>109</b>	<b>7</b>	<b>38</b>	<b>78</b>	<b>9,812</b>	<b>9,824</b>	<b>13</b>	<b>4.89%</b>	<b>3.21%</b>
Total as at June 30, 2023	120	78	89	109	42,527	42,419	(108)		

#### 5.3.2 Held by Money Market sub fund

	As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at December 31, 2023	Carrying value as at December 31, 2023	Market value as at December 31, 2023	Unrealized gain / (loss)	Market value as a percentage of	
								Total investments of sub-fund	Net assets of sub-funds
	(Number of certificates)				Rupees in ('000)			(%)	
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
K-Electric Limited - 090223	15	-	15	-	-	-	-	0.00%	0.00%
China Power Hub Generation Company - 280323	10	-	10	-	-	-	-	0.00%	0.00%
K-Electric Limited - 180523	9	-	9	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - 130623	12	-	12	-	-	-	-	0.00%	0.00%
Lucky Electric Power Company Limited - 160823	-	5	-	5	5,000	5,000	-	1.62%	1.32%
	<b>46</b>	<b>5</b>	<b>46</b>	<b>5</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>1.62%</b>	<b>1.32%</b>
<b>Total as at December 31, 2023</b>	<b>46</b>	<b>5</b>	<b>46</b>	<b>5</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>	<b>1.62%</b>	<b>1.32%</b>
Total as at June 30, 2023	10	69	33	46	46,000	46,000	-		

#### 5.3.3 Significant terms and conditions of corporate sukuk bonds outstanding as at June 30, 2023 are as follows:

Name of security	Remaining principal (Rupees per Sukuk)	Mark-up rate (per annum)	Issue date	Maturity date
Hub Power Company Limited - 190320	25,000	6 months KIBOR + 1.9%	19-Mar-20	19-Mar-24
TPL Trakker Limited	500,000	3 months KIBOR + 3%	30-Mar-21	30-Mar-26
Agha Steel Industries Limited	680,000	3 months KIBOR + 0.8%	9-Aug-23	9-Aug-27
OBS AGP (Private) Limited	68,750	3 months KIBOR + 1.55%	15-Jul-21	15-Jul-26
Lucky Electric Power Company Limited	1,000,000	6 months KIBOR + 0.5%	16-Aug-23	16-Feb-24

#### 5.4 Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'

	December 31, 2023 (Un-audited)				December 31, 2022 (Un-audited)			
	Equity sub fund	Debt sub fund	Money Market sub fund	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Total
	(Rupees '000)							
Market value of investments	122,080	201,090	309,119	632,289	65,983	100,948	43,901	210,832
Less: carrying value of investments	96,578	198,206	305,846	600,630	71,812	101,190	44,000	217,002
	<b>25,502</b>	<b>2,883</b>	<b>3,273</b>	<b>31,658</b>	<b>(5,829)</b>	<b>(242)</b>	<b>(99)</b>	<b>427,834</b>

#### 6 DIVIDEND AND PROFIT RECEIVABLE

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)							
Dividend receivable	4	-	-	4	2	-	-	2
Profit receivable on bank deposits	15	4,044	5,049	9,108	147	4,039	4,478	8,664
Profit accrued on sukuk bonds	-	781	444	1,225	-	2,034	2,225	4,259
Profit on government securities	-	9,297	13,173	22,470	-	2,356	3,483	5,839
	<b>19</b>	<b>14,122</b>	<b>18,666</b>	<b>32,807</b>	<b>149</b>	<b>8,429</b>	<b>10,186</b>	<b>18,764</b>

#### 7 DEPOSITS AND OTHER RECEIVABLES

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)							
Security deposit with the Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
Security deposit with National Clearing Company of Pakistan Limited	2,500	-	-	2,500	2,500	-	-	2,500
Receivable against sale of investment	-	-	-	0	2,557	-	-	2,557
Advance Tax	109	236	343	688	109	236	343	688
Receivable from Pension Fund Manager	26	14	11	51	26	14	11	51
	<b>2,735</b>	<b>350</b>	<b>454</b>	<b>3,539</b>	<b>5,292</b>	<b>350</b>	<b>454</b>	<b>6,096</b>

7.1 The income of the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 151 and 233 of ITO 2001. The Federal Board of Revenue (FBR), through a circular "C.No.1 (43) DG (WHT) / 2008- Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). Prior to receiving tax exemption certificate(s) from CIR, withholding agent had deducted advance tax under section 151 of ITO 2001 in prior and current periods. The Pension Fund Manager is confident that the amount will be refunded to the Fund.

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

	Note	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees '000)							
Remuneration Payable to the Pension Fund Manager	8.1	146	142	172	460	97	206	235	538
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	8.2	19	18	22	59	13	27	31	69
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	8.3	-	52	62	114	-	75	85	160
Other payable to Pension Fund Manager		2,500	-	-	2,500	-	-	-	-
		<b>2,665</b>	<b>212</b>	<b>256</b>	<b>3,133</b>	<b>110</b>	<b>308</b>	<b>351</b>	<b>767</b>

- 8.1** As per regulation 67F of the Non-Banking Finance Companies and Notified Entities (NBFC) Regulations, 2008, the Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the fee is being charged at the rate ranging from 0.4% to 1.5% of the average annual net assets accordingly. The fee is payable in arrears.
- 8.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011 effective from July 01, 2017.
- 8.3** As per regulation 60 (3)(s) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager may charge fees and expenses related to registrar services, accounting, operation and valuation services related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged at the rate ranging from 0.2% to 0.4% of the average annual net assets of the Debt Sub-fund and Money Market Sub-fund accordingly, while no fees has been allocated to the Equity Sub-fund.

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

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity sub fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity sub fund	Debt sub fund	Money Market sub fund	Total
	(Rupees '000)							
Remuneration of Central Depository Company of Pakistan Limited - Trustee	15	39	52	106	12	31	34	77
Sindh Sales Tax on remuneration of Trustee	2	5	7	14	2	4	4	10
	<u>17</u>	<u>44</u>	<u>59</u>	<u>120</u>	<u>14</u>	<u>35</u>	<u>38</u>	<u>87</u>

- 9.1** As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged as follows:

Net Assets	Tariff per annum
- Upto Rs.1 billion	Rs.0.3 million or 0.15% p.a. of Net Assets whichever is higher
- Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets exceeding Rs.1 billion
- Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets exceeding Rs.3 billion
- Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets exceeding Rs.6 billion

- 9.2** The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration to the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2017.

**10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

As per Clause 36 of the VPS Rules, 2005 the Pension Fund Manager shall pay an annual fee to the Commission an amount equal to one twenty-fifth of one per cent of the average annual net asset value of the pension fund. The fees is chargeable to the fund under Regulation 60 (3)(f) and 67G (3) of the NBFC Regulations and is payable in arrears. During the period the Pension Fund Manager has charged the fees accordingly for the half year period ended December 31, 2023.

**11 ACCRUED EXPENSES AND OTHER LIABILITIES**

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees '000)							
<b>Note</b>								
Auditors' remuneration	58	98	75	231	70	134	123	327
Payable against purchase of investments	5,131	-	-	5,131	-	-	-	-
Federal Excise Duty	880	488	383	1,751	880	488	383	1,751
Payable against redemption of units	3,100	244	604	3,948	91	2,024	2,708	4,823
Other payable	304	177	97	578	401	156	81	638
	<u>9,473</u>	<u>1,007</u>	<u>1,159</u>	<u>11,639</u>	<u>1,442</u>	<u>2,802</u>	<u>3,295</u>	<u>7,539</u>

## 11.1 FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2023, and the appeal filed by tax authorities with Supreme Court of Pakistan is pending for decision.

In view of the above, the Management Company / Pension Fund Manager, is carrying provision for FED for the period from June 13, 2013 to June 30, 2016 aggregating Rs. 0.880 million, 0.488 million and 0.383 million (June 30, 2023: Rs. 0.880 million, Rs. 0.488 million and Rs. 0.383 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at December 31, 2023 would have been higher by Rs. 3.6055, Rs. 0.3956 and Rs. 0.2425 (June 30, 2023: Rs. 3.3475 Rs. 0.4058 and Rs. 0.2800) per unit respectively.

## 12 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at December 31, 2023 and June 30, 2023.

## 13 TAXATION

No provision for taxation for the year ended June 30, 2023 has been made in view of the exemption available under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A Part IV to Second Schedule of the Income Tax Ordinance 2001. Accordingly Super Tax and any other taxes introduced in Finance Act 2015 are also not applicable on the Fund.

## 14 CONTRIBUTION TABLE

Contribution received during the period / year is as follows:

	December 31, 2023 (Un-audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	(Units)	(Rupees '000)	(Units)	(Rupees '000)	(Units)	(Rupees '000)	(Units)	(Rupees '000)
From:								
Individuals	128,649	58,473	394,334	95,036	568,021	128,673	1,091,004	282,182

	June 30, 2023 (Audited)							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	(Units)	(Rupees '000)	(Units)	(Rupees '000)	(Units)	(Rupees '000)	(Units)	(Rupees '000)
From:								
Individuals	111,482	36,903	878,675	180,751	1,014,431	205,595	2,004,588	423,249

## 15 NUMBER OF UNITS IN ISSUE

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Number of units)				(Number of units)			
Opening units in issue (Audited)	262,883	1,202,593	1,367,718	2,833,194	376,992	591,819	544,634	1,513,445
Units issued during the period	128,649	394,334	568,021	1,091,004	111,482	878,675	1,014,431	2,004,588
Units redeemed during the period	(122,000)	(333,562)	(405,085)	(860,648)	(168,690)	(289,351)	(276,889)	(734,930)
Reallocation during the period	(25,461)	(19,057)	48,490	3,972	(56,901)	21,450	85,542	50,091
Total units in issue at end of the period	244,071	1,244,307	1,579,144	3,067,522	262,883	1,202,593	1,367,718	2,833,194

## 16 TRANSACTIONS AND BALANCES 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 and other Voluntary Pension Systems managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager, directors of connected persons and persons having 10% or more beneficial ownership or voting power of the units of the Fund or the capital of the Pension Fund Manager.

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

Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

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

### 16.1 Transactions during the period

	For the half year ended December 31, 2023				For the half year ended December 31, 2022			
	(Un-audited)				(Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>HBL Asset Management Limited - Pension Fund Manager</b>								
Remuneration of the Pension Fund Manager	696	1,072	1,255	3,023	742	327	232	1,301
Sindh Sales Tax on remuneration of the Pension Fund Manager	90	139	163	392	96	43	30	169
Allocation of fees and expenses / (reversal) related to registrar services, accounting, operation and valuation services	-	389	456	845	102	163	58	323
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration to Central Depository Company of Pakistan Limited - Trustee	67	214	260	541	74	98	87	259
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	9	28	33	70	10	13	11	34
Central Depository System Charges	15	3	3	21	13	3	3	19
<b>Habib Bank Limited - Sponsor</b>								
Redemption of units	-	-	-	-	103,535	-	-	103,535
Amount of units redeemed	-	-	-	-	36,471	-	-	36,471
Bank charges	12	28	24	64	37	48	45	130
Profit on bank deposits earned	1	95	93	190	70	840	71	981
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
Reallocation of units	<i>Number</i>	2,786	-	(5,425)	(2,639)	-	-	-
Amount of units reallocated		1,270	-	(1,270)	-	-	-	-
<b>Executives and their relatives</b>								
Issuance of units	<i>Number</i>	3,244	2,043	1,623	6,910	-	-	-
Amount of units issued		1,284	464	362	2,110	-	-	-
Reallocation of units	<i>Number</i>	(121)	1,104	(643)	340	-	-	-
Amount of units reallocated		(125)	265	(140)	-	-	-	-

	For the half year ended December 31, 2023 (Un-audited)				For the half year ended December 31, 2022 (Un-audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>CDC Trustee HBL Islamic Income Fund - Under Common Management</b>								
Purchase of GOP Ijara Sukuk	-	153,073	253,699	406,772	-	-	-	-
<b>CDC Trustee HBL Financial Sector Income Fund - Under Common Management</b>								
Sale of GOP Ijara Sukuk	-	106,995	216,555	323,550	-	-	-	-
<b>CDC Trustee HBL Islamic Pension Fund - Under Common Management</b>								
Reallocation of GOP Ijara Sukuk	-	11,293	(11,293)	-	-	-	-	-

## 16.2 Balances outstanding as at period end

	December 31, 2023 (Un-audited)				June 30, 2023 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- (Rupees in '000) -----									
<b>HBL Asset Management Limited - Pension Fund Manager</b>									
Management fee payable to Pension Fund Manager	146	142	172	460	97	206	235	538	
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	19	18	22	59	13	27	31	70	
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	52	62	114	-	75	85	160	
Other payable to Pension Fund Manager	2,500	-	-	2,500	-	-	-	-	
<b>Habib Bank Limited - Sponsor</b>									
Bank balances	1,703	4,153	8,705	14,561	4,600	28,524	24,333	57,457	
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>									
<b>Directors and their relatives</b>									
Units held	<i>Number</i>	20,326	40,287	20,685	81,298	22,589	40,287	21,087	83,963
Amount of units held		9,958	9,981	4,945	24,884	7,352	8,844	4,498	20,694
<b>Executives and their relatives</b>									
Units held	<i>Number</i>	61,219	65,699	6,141	133,059	12,825	37	18	12,880
Amount of units held		29,991	16,276	1,468	47,735	4,528	7	3	4,538
<b>Central Depository Company of Pakistan Limited - Trustee</b>									
Remuneration to Central Depository Company of Pakistan Limited - Trustee	15	39	52	106	12	31	34	77	
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	2	5	7	14	2	4	4	10	
Security deposit receivable	100	100	100	300	100	100	100	300	
<b>Directors of connected persons</b>									
Units held	<i>Number</i>	23,961	55,036	-	78,997	23,961	55,036	-	78,997
Amount of units held		11,739	13,634	-	25,373	7,799	12,081	-	19,880

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities held as at December 31, 2023 and June 30, 2023, including their levels in the fair value hierarchy

		Held by Equity sub-fund						
		December 31, 2023 (Un-audited)						
		Carrying amount			Fair value			
		At fair value	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		through profit or loss						
Note		(Rupees in'000)						
<b>Financial assets measured at fair value</b>								
	Listed equity securities	122,080	-	122,080	122,080	-	-	122,080
		122,080	-	122,080	122,080	-	-	122,080
<b>Financial assets not measured at fair value</b>								
17.1	Bank balances	-	6,911	6,911	-	-	-	-
	Dividend and profit receivable	-	19	19	-	-	-	-
	Deposits and other receivable	-	2,735	2,735	-	-	-	-
		-	9,665	9,665	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
17.1	Payable to the Pension Fund Manager	-	146	146	-	-	-	-
	Payable to the Trustee	-	39	39	-	-	-	-
	Accrued expenses and other liabilities	-	8,593	8,593	-	-	-	-
		-	8,778	8,778	-	-	-	-

		Held by Equity sub-fund						
		June 30, 2023 (Audited)						
		Carrying amount			Fair value			
		At fair value	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		through profit or loss						
Note		(Rupees in'000)						
<b>Financial assets measured at fair value</b>								
	Investment							
	Listed equity securities	75,967	-	75,967	75,967	-	-	75,967
		75,967	-	75,967	75,967	-	-	75,967
<b>Financial assets not measured at fair value</b>								
17.1	Bank balances	-	5,752	5,752	-	-	-	-
	Dividend and profit receivable	-	149	149	-	-	-	-
	Deposits and other receivable	-	5,292	5,292	-	-	-	-
		-	11,193	11,193	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
17.1	Payable to the Pension Fund Manager	-	97	97	-	-	-	-
	Payable to the Trustee	-	12	12	-	-	-	-
	Accrued expenses and other liabilities	-	562	562	-	-	-	-
		-	671	671	-	-	-	-



		Held by Debt sub-fund						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
	Note	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in'000)						
<b>Financial assets measured at fair value</b>								
Investment	17.2							
Sukuk bonds		9,824	-	9,824	-	9,824	-	9,824
Government securities - Ijarah sukuk		191,265	-	191,265	-	191,265	-	191,265
		201,089	-	201,089	-	201,089	-	201,089
<b>Financial assets not measured at fair value</b>								
Bank balances	17.1	-	91,389	91,389	-	-	-	-
Dividend and profit receivable		-	14,122	14,122	-	-	-	-
Deposits and other receivable		-	350	350	-	-	-	-
		-	105,861	105,861	-	-	-	-
		<b>Held by Debt sub-fund</b>						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
	Note	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in'000)						
<b>Financial liabilities not measured at fair value</b>								
Payable to the Pension Fund Manager	17.1	-	194	194	-	-	-	-
Payable to the Trustee		-	39	39	-	-	-	-
Accrued expenses and other liabilities		-	519	519	-	-	-	-
		-	752	752	-	-	-	-
		<b>Held by Debt sub-fund</b>						
		June 30, 2023 (Audited)						
		Carrying Amount			Fair Value			
	Note	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in'000)						
<b>Financial assets measured at fair value</b>								
Investment	17.2							
Sukuk bonds		42,419	-	42,419	-	42,419	-	42,419
Government securities - Ijarah sukuk		100,067	-	100,067	-	100,067	-	100,067
		142,486	-	142,486	-	142,486	-	142,486
<b>Financial assets not measured at fair value</b>								
Bank balances	17.1	-	115,934	115,934	-	-	-	-
Dividend and profit receivable		-	8,429	8,429	-	-	-	-
Deposits and other receivable		-	350	350	-	-	-	-
		-	124,713	124,713	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Payable to the Pension Fund Manager	17.1	-	281	281	-	-	-	-
Payable to the Trustee		-	31	31	-	-	-	-
Accrued expenses and other liabilities		-	778	778	-	-	-	-
		-	1,090	1,090	-	-	-	-
		<b>Held by Money Market sub-fund</b>						
		December 31, 2023 (Un-audited)						
		Carrying Amount			Fair Value			
	Note	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in'000)						
<b>Financial assets measured at fair value</b>								
Investment	17.2							
Sukuk bonds		5,000	-	5,000	-	5,000	-	5,000
Government securities - Ijarah sukuk		304,119	-	304,119	-	304,119	-	304,119
		309,119	-	309,119	-	309,119	-	309,119
<b>Financial assets not measured at fair value</b>								
Bank balances	17.1	-	50,829	50,829	-	-	-	-
Dividend and profit receivable		-	18,666	18,666	-	-	-	-
Deposits and other receivable		-	454	454	-	-	-	-
		-	69,949	69,949	-	-	-	-
<b>Financial liabilities not measured at fair value</b>								
Payable to the Pension Fund Manager	17.1	-	234	234	-	-	-	-
Payable to the Trustee		-	52	52	-	-	-	-
Accrued expenses and other liabilities		-	776	776	-	-	-	-
		-	1,062	1,062	-	-	-	-

		Held by Money Market sub-fund					
		June 30, 2023 (Audited)					
		Carrying Amount			Fair Value		
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in'000)						
<b>Financial assets measured at fair value</b>							
Investment	17.2						
Sukuk bonds		46,000	46,000	-	46,000	-	46,000
Government securities - Ijarah sukuks		145,097	145,097	-	145,097	-	145,097
		191,097	191,097	-	191,097	-	191,097
<b>Financial assets not measured at fair value</b>							
Bank balances	17.1	-	93,778	-	-	-	-
Dividend and profit receivable		-	10,186	-	-	-	-
Deposits and other receivable		-	454	-	-	-	-
		-	104,418	-	-	-	-
		Held by Money Market sub-fund					
		June 30, 2023 (Audited)					
		Carrying Amount			Fair Value		
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	(Rupees in'000)						
<b>Financial liabilities not measured at fair value</b>							
Payable to the Pension Fund Manager	17.1	-	320	-	-	-	-
Payable to the Trustee		-	34	-	-	-	-
Accrued expenses and other liabilities		-	2,912	-	-	-	-
		-	3,266	-	-	-	-

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

## 17.2 Valuation techniques

For level 2 investments at fair value through profit or loss - investment in Government Ijarah sukuks, Fund uses rates which are derived from PKSRV rates at reporting date per certificate multiplied by the number of certificates held as at period end and for the investment in respect of Corporate Sukuk Bonds, Fund uses the rates prescribed by MUFAP.

## 17.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

## 18 TOTAL EXPENSE RATIO

Section 67G of the NBFC Regulations 2008 prescribes annualized total expense ratio (TER) limits for Voluntary Pension Schemes (VPSs). Based on the current period results total expense ratio is 4.48%, 1.41% & 1.39% which includes 0.12%, 0.05% & 0.05% representing Government Levy and the SECP fee of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. This ratio is within the maximum limit of 4.5%, 2.5% & 2% prescribed under the NBFC Regulations for Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively.

## 19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, the following material reclassifications have taken place during the year:

Reclassification from components	Reclassification to components	Rupees in '000 (Un-audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
- Remuneration to HBL Asset Management Limited - Pension Fund Manager	- Sindh Sales Tax on remuneration to HBL Asset Management Limited - Pension Fund Manager	96	43	30	169
- Remuneration to Central Depository Company of Pakistan Limited - Trustee	- Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	10	13	11	34
- Payable to HBL Asset Management Limited - Pension Fund Manager (Sindh Sales Tax )	- Payable to HBL Asset Management Limited - Pension Fund Manager (Management fee)	-	8	9	18
- Remuneration to HBL Asset Management Limited - Pension Fund Manager	- Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	102	163	58	323
- Settlement and bank charges	- Security transaction cost	430	-	-	430
- Other Expenses	Fees and subscription	198	-	-	198
- Other Expenses	Security transaction cost	56	-	-	56

## 20 DATE OF AUTHORISATION FOR ISSUE

20.1 These condensed interim financial statements were authorised for issue on February 16, 2024 by the Board of Directors of the Pension Fund Manager.

## 21 GENERAL

21.1 Figures have been rounded off to the nearest thousands.

21.2 These condensed interim financial statements are unaudited and have been reviewed by the auditors. Further, the figures of the condensed interim income statement and condensed interim statement of comprehensive income for the quarter ended December 31, 2023 have not been reviewed.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

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# **HBL**

## **KPK Islamic Pension Fund**

## FUND INFORMATION

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Name of Fund	HBL KPK Islamic Pension Fund
Name of Auditor	BDO EBRAHIM & Chartered Accountants
Name of Trustee	Central Depository Company Pakistan(CDC)
Name of Shariah Advisor	Al Hilal Shariah Advisors (Pvt.) Limited
Bankers	Bank al Habib Limited Bank Islami Pakistan Limited

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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE PARTICIPANTS OF HBL KPK ISLAMIC PENSION FUND**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL KPK ISLAMIC PENSION FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub funds', condensed interim statement of cash flows together with a summary of significant accounting policies and other explanatory notes forming parts thereof (here-in-after referred to as the "condensed interim Financial Statement"), for the period from December 14, 2023 to December 31, 2023. HBL Asset Management Limited ("the Pension Fund Manager") is responsible for the preparation and presentation of this condensed interim Financial Statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim Financial Statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim Financial Statements as at and for the period from December 14, 2023 to December 31, 2023 do not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATE: 26 FEB 2024

UDIN: RR202310166fJV3c1PLb

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

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Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE PARTICIPANTS**

**HBL KPK ISLAMIC PENSION FUND**

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h)  
of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL KPK Islamic Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the period from December 14, 2023 to December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 29, 2024



**HBL KPK Islamic Pension Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT DECEMBER 31, 2023*

					December 31, 2023				
					Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money market Sub-Fund	Total
					(Rupees)				
<b>ASSETS</b>									
Bank balances	4	500,000	500,000	500,000	31,200,529	32,700,529			
Markup on bank deposit receivable		-	-	-	273,692	273,692			
Preliminary expenses and floatation costs	5	-	-	-	444,407	444,407			
<b>Total assets</b>		500,000	500,000	500,000	31,918,628	33,418,628			
<b>LIABILITIES</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	6	-	-	-	450,000	450,000			
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	-	-	2,467	2,467			
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	-	-	-	582	582			
Accrued expenses and other liabilities	9	-	-	-	13,332	13,332			
<b>Total liabilities</b>		-	-	-	466,381	466,381			
<b>NET ASSETS</b>		500,000	500,000	500,000	31,452,247	32,952,247			
<b>PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)</b>					500,000	500,000	500,000	31,452,247	32,952,247
<b>CONTINGENCIES &amp; COMMITMENTS</b>									
					----- (Number of units) -----				
Number of units in issue	12	5,000	5,000	5,000	312,005				
					----- (Rupees) -----				
Net assets value per unit		100.0000	100.0000	100.0000	100.8068				

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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



**HBL KPK Islamic Pension Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

		December 31, 2023				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees) -----				
<b>INCOME</b>						
	Mark-up on bank deposits	-	-	-	273,692	273,692
	<b>Total income</b>	-	-	-	273,692	273,692
<b>EXPENSES</b>						
	Remuneration to HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-
	Sindh Sales Tax on remuneration to HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-
	Remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,183	2,183
	Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	284	284
	Annual fee - Securities and Exchange Commission of Pakistan	-	-	-	582	582
	Auditor's remuneration	-	-	-	13,332	13,332
	Amortisation of formation cost	-	-	-	5,593	5,593
	<b>Total expenses</b>	-	-	-	21,974	21,974
	<b>Net income for the period before taxation</b>	-	-	-	251,718	251,718
	Taxation	-	-	-	-	-
	<b>Net income for the period after taxation</b>	-	-	-	251,718	251,718
	<b>Earnings per unit</b>					

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL KPK Islamic Pension Fund**  
**Condensed Interim Statement of Comprehensive Income (Un-Audited)**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

	December 31, 2023				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
Net income for the period after taxation	-	-	-	251,718	251,718
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,718</u>	<u>251,718</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL KPK Islamic Pension Fund**  
**Condensed Interim Statement of Movement in Unit Holders' Fund**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

	December 31, 2023				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
<b>Net assets at the beginning of period</b>	-	-	-	-	-
Amount received on issue of units	500,000	500,000	500,000	31,200,529	32,700,529
Amount paid on redemption of units	-	-	-	-	-
	500,000	500,000	500,000	31,200,529	32,700,529
Net income for the period	-	-	-	251,718	251,718
<b>Net assets at the end of period</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>31,452,247</u>	<u>32,952,247</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL KPK Islamic Pension Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

December 31, 2023					
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Note ----- (Rupees) -----				
Net income for the period	-	-	-	251,718	251,718
Adjustments for non cash items:	-	-	-	-	-
(Increase) in assets					
Formation Cost	-	-	-	(444,407)	(444,407)
Markup on bank deposit receivable	-	-	-	(273,692)	(273,692)
	-	-	-	(718,099)	(718,099)
Increase in liabilities					
Payable to the Pension Fund Manager	-	-	-	450,000	450,000
Payable to Trustee	-	-	-	2,467	2,467
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	-	-	-	582	582
Accrued expenses and other liabilities	-	-	-	13,332	13,332
	-	-	-	466,381	466,381
<b>Net cash flows from operating activities</b>	-	-	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipt from issuance of units	500,000	500,000	500,000	31,200,529	32,700,529
Payments on redemption of units	-	-	-	-	-
Net cash flows from financing activities	500,000	500,000	500,000	31,200,529	32,700,529
<b>Net increase in cash and cash equivalents</b>	500,000	500,000	500,000	31,200,529	32,700,529
Cash and cash equivalents at beginning of the period	-	-	-	-	-
<b>Cash and cash equivalents at end of the period</b>	4 500,000	500,000	500,000	31,200,529	32,700,529

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL KPK Islamic Pension Fund**  
**Notes to the Condensed Interim Financial Information (Unaudited)**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

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**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 HBL KPK Islamic Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on September 12, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 22, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 14, 2023.
- 1.2 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.3 The Fund is an unlisted pension scheme and units are offered on a continuous basis to employees of KPK Government appointed / recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization. The units are non-transferable except in the circumstances mentioned in VPS Rules and KPK Act 2022 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.
- 1.4 The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Al-Hilal Shariah Advisors (Private) Limited as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.5 The Fund consists of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (collectively the "Sub-Funds"). Under the KPK Civil Servants Act 2022, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain in operative till then. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document and the KPK Rules, 2022.
- 1.5 Except for the departure from investment policy provided in the offering document, where the Pension Fund Manager shall place the seed capital amount of all sub-funds other than Money market Sub-Fund in a separate bank account in a commercial bank having at least such rating as prescribed thereunder for first three years from the date of launch of the Pension Fund, the investment shall be made as per the investment policy mentioned in the offering document. The investment policy for each of the sub-funds is as follows:
- The investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Government securities not exceeding 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document;

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- The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub Fund shall be invested in Shariah compliant equity securities which are listed on Pakistan Stock Exchange (PSX) and Equity Sub Fund shall be eligible to invest in units of Shariah compliant Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. Investment in a single company is restricted to lower of 15% 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 35% of NAV or index weight, subject to a maximum of 40% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
  - The investment objective of the Debt Sub Fund is to earn returns from investments in Shariah compliant debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. Exposure to any single entity or debt securities of a single entity shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
  - The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding 1 year. Time to maturity of any assets in the portfolio shall not exceed six months. Exposure to any single entity or securities of a single entity, with the exception of those issued by the Federal Government, shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. However, at all times, atleast 10% of the NAV of the Sub-Fund shall be invested scheduled commercial banks having prescribed ratings or government securities having upto 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document.

The Fund offers Life Cycle Allocation scheme to its participants with an option to allocate their contributions in a pre-planned allocation strategy as per their age. The exact exposure to each Sub Fund within the Allocation Scheme would be decided by the Employee at time of individual pension account opening and may be changed at any time at their discretion subject to age limits prescribed under KPK Rules. However, for initial three years from opening of account, the contribution of Employees will be invested in Money Market Sub-Fund only. The Employee may exercise the right to choose the exposure from the Allocation scheme subsequent to the initial three year period in the absence of which the Pension Fund Manager, keeping in view the profile and age of the Employee, shall allocate the Contributions to the Default Asset Allocation Scheme as specified in the constitutive documents and the KPK Rules. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

1.6 VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable Outlook)' on December 29, 2023 to the Pension Fund Manager.

1.7 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim financial statements of the the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
  - The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and the directives issued by the SECP;
  - Provisions of and or directives issued under the Companies Act, 2017.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

- 2.11 These condensed interim financial statements are being submitted to the participants as required under Regulation 67B(vi) of the NBFC Regulations, 2008.
- 2.12 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.
- 2.13 These condensed interim financial statements are presented in Pakistani rupee ("Rupees" or "Rs."), which is the functional and presentation currency of the Fund.

## **2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund in the current period. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

## **2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

### **3.2 Cash and cash equivalents**

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost / nominal amount.

### **3.3 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **3.3.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace

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### 3.3.1.1 Classification and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 3.3.1.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVTOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The fair value of debt instruments is determined as follows:

The government debt securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV rates) which are based on the remaining tenor of the securities.

The fair value of debt securities (other than government debt securities) not listed on stock exchange is based on the value determined and announced by Mutual Fund Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued SECP. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### 3.3.1.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVTOCI. The Pension Fund Manager considers its investment in equity securities being managed as a group of assets and will be classified as FVTPL. Accordingly, the irrevocable option has not been considered.

The fair value of equity instruments is determined by using the published rates listed on the PSX daily quotation on the last working day of the reporting period.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

#### 3.3.1.2 Impairment

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.



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The SECP/Commission, through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017, has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

### **3.3.1.3 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

### **3.3.1.4 Derivatives**

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

### **3.3.2 Financial liabilities**

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently stated at amortized cost using effective interest method. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement. Financial liabilities include payable to the Pension Fund Manager and other liabilities.

#### **3.3.2.1 Classification and subsequent measurement**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fairvalue through profit or loss.

#### **3.3.2.2 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

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### **3.3.3 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **3.3.4 Regular way contracts**

All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset or liability. Regular way purchases / sales of assets / liabilities require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### **3.4 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include expenditure incurred in connection with the establishment and authorization of the Pension Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

### **3.5 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### **3.6 Net asset value per unit**

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the sub-fund's total net asset value by the number of units in circulation at the year end. The total net asset value is determined as prescribed under Regulation 67H and 66 of the NBFC Regulations. However, since only the Money-Market Sub-fund is operative at the moment for issuance of units, the NAV of the remaining three sub-funds is locked at its Par Value of Rs. 100.00 per unit.

### **3.7 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Pension Fund manager for the applications received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day.

Units redeemed are recorded at the redemption price applicable to units for which the Pension Fund Manager receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day.

### **3.8 Revenue recognition**

- Capital gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

- Income on sukuk certificates, term deposit receipts and government securities is recognized on an accrual basis except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognized on a time proportionate basis using bank's approved rates when accrued

### 3.9 Expenses

All expenses chargeable to the Fund including remuneration of the Pension Fund Manager and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

### 3.10 Distribution to the unit holders

No distribution of Income or dividend shall be allowed from any of the sub-funds. Any income earned shall be accumulated and retained in the respective sub-funds.

### 3.11 Taxation

The income of the Fund is exempt from income tax under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provisions of section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.12 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 4 BANK BALANCES

		December 31, 2023 (Un-audited)					
		Equity Index	Equity	Debt	Money Market	Total	
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
Note		----- (Rupees)-----					
	Savings accounts	4.1	500,000	500,000	500,000	31,200,529	32,700,529

4.1 These carry profit at the rate of 18.5% per annum.

## 5 PRELIMINARY EXPENSES AND FLOATATION COSTS

		December 31, 2023 (Un-audited)					
		Equity Index	Equity	Debt	Money Market	Total	
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
Note		----- (Rupees)-----					
	Cost charged	5.1	-	-	-	450,000	450,000
	Less: Amortization for the period		-	-	-	(5,593)	(5,593)
	Closing Balance		-	-	-	444,407	444,407

5.1 Under Regulation 60(2) and 60(3)(i) of the NBFC Regulations, 2008, formation costs incurred in connection with the establishment and registration of the Fund borne by the Pension Fund Manager and reimbursable shall be chargeable to the Fund, not exceeding 1.5 % of the Seed Capital of each Sub-Fund and shall be amortized over a period of five years.

## 6 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

		December 31, 2023 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Remuneration Payable to the Pension Fund Manager	6.1	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	6.2	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	6.3	-	-	-	450,000	450,000
		-	-	-	450,000	450,000

6.1 The Pension Fund Manager is allowed to charge fees as remuneration for the management of fund within the limits of the Total Expense Ratio (TER) prescribed in the Trust Deed. However, no such fees was charged by the Pension Fund Manager during the period.

6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011.

6.3 Formation Costs as agreed with the employer, not exceeding 1.5 % of the Seed Capital of each Sub-Fund, including expenditure incurred in connection with the establishment and authorization of the Pension Fund, shall be borne by the Pension Fund, paid to the Pension Fund Manager within the first three months of complete receipt of proceeds against Seed Capital Units subscribed by the Seed Investors.

## 7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		December 31, 2023 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Remuneration to the Central Depository of Pakistan Limited - Trustee	7.1	-	-	-	2,183	2,183
Sindh Sales Tax on remuneration of Trustee	7.2	-	-	-	284	284
		-	-	-	2,467	2,467

7.1 As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged as follows:

Net Assets	Tariff per annum
Upto Rs.1 billion	0.15% p.a. of Net Assets
Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets exceeding Rs.1 billion
Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets exceeding Rs.3 billion
Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets exceeding Rs.6 billion

7.2 Sales tax at the rate of 13% on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

## 8 ANNUAL FEES PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per Clause 36 of the VPS Rules, 2005 the Pension Fund Manager shall pay an annual fee to the Commission an amount equal to one twenty-fifth of one per cent of the average annual net asset value of the pension fund. The fees is chargeable to the fund under Regulation 60 (3)(f) and 67G (3) of the NBFC Regulations and is payable in arrears. During the period the Pension Fund Manager has charged the fees accordingly for the period from the launch of the Fund's operations on December 14, 2023 to December 31, 2023 period-end.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2023 (Un-audited)				
	Equity Index	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	----- (Rupees) -----				
Audit fees payable	-	-	-	13,332	13,332
	-	-	-	13,332	13,332

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023.

## 11 CONTRIBUTION TABLE

Contribution (net of front end fee) received during the period.

	December 31, 2023 (Un-audited)									
	Equity Index		Equity		Debt		Money Market		Total	
	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)
From:										
Individuals	-	-	-	-	-	-	12,005	1,200,529	12,005	1,200,529
Habib Bank Limited - Seed Investor	5,000	500,000	5,000	500,000	5,000	500,000	300,000	30,000,000	315,000	31,500,000

## 12 NUMBER OF UNITS IN ISSUE

	December 31, 2023 (Un-audited)									
	Equity Index		Equity		Debt		Money Market		Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
	----- (Number of units) -----									
Total units outstanding at beginning of the period	-	-	-	-	-	-	-	-	-	-
Units issued during the period	5,000	-	5,000	-	5,000	-	312,005	-	327,005	-
Units redeemed during the period	-	-	-	-	-	-	-	-	-	-
Reallocation during the period	-	-	-	-	-	-	-	-	-	-
Total units in issue at the end of the period	5,000	-	5,000	-	5,000	-	312,005	-	327,005	-

## 13 BASIS OF ALLOCATION OF EXPENSES TO EACH SUB-FUND

- 13.1 Remuneration to the Pension Fund Manager and remuneration to the Trustee is allocated to each sub-fund on the basis of net assets of the sub-fund.
- 13.2 Formation Cost shall be divided equally among all the Sub-Funds operative.
- 13.3 Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription, brokerage and transaction costs, bank charges and all direct expenses of Sub Fund, shall be charged to the pertinent Sub-Funds.
- 13.4 Legal costs, audit fees and annual fees payable to the Commission and any other common expenses in accordance with the VPS Rules and NBFC Regulations, and as defined in the Constitutive documents, shall be charged to the pertinent Sub-Funds in proportion to their respective net assets.

## 14 TAXATION

The income of the fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further, the Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A Part IV to Second Schedule of the Income Tax Ordinance 2001. Accordingly Super Tax and any other taxes introduced in Finance Act 2015 are also not applicable on the Fund.

## 15 EARNINGS / (LOSS) PER UNIT

Earnings/(Loss) per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Pension Fund Manager, the determination of the same is not practicable.

## 16 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Limited being the Pension Fund Manager, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, Collective Investment Schemes and other Voluntary Pension Systems managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager, directors of connected persons and persons having 10% or more beneficial ownership or voting power of the units of the Fund or the capital of the Pension Fund Manager.

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

Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

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

### 16.1 Transactions during the period

	December 31, 2023 (Un-audited)					
	Equity Index	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
	----- (Rupees) -----					
<b>HBL Asset Management Limited - Pension Fund Manager</b>						
Remuneration of the Pension Fund Manager	-	-	-	-	-	
Sindh Sales Tax on remuneration of the Pension Fund Manager	-	-	-	-	-	
Preliminary expenses and floatation costs	-	-	-	450,000	450,000	
<b>Habib Bank Limited - Sponsor</b>						
Issuance of Seed Capital Units	<i>Number</i>	5,000	5,000	5,000	300,000	315,000
Amount of Seed Capital Units issued		500,000	500,000	500,000	30,000,000	31,500,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,183	2,183	
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	284	284	

16.2 Balances outstanding as at period end

	December 31, 2023 (Un-audited)				
	Equity Index	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
----- (Rupees) -----					
<b>HBL Asset Management Limited - Pension Fund Manager</b>					
Remuneration Payable to the Pension Fund Manager	-	-	-	-	-
Sindh Sales Taxpayable on remuneration of the Pension Fund Manager	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	-	-	-	450,000	450,000
<b>Habib Bank Limited - Sponsor</b>					
Seed Capital Units held	<i>Number</i>	5,000	5,000	300,000	315,000
Amount of Seed Capital Units held at NAV		500,000	500,000	30,242,032	31,742,032
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,183	2,183
Sindh Sales Taxon remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	284	284

17 FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Board of Directors (the Board) of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Pension Fund Manager, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

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## **17.1 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee. The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

### **17.1.1 Currency risk**

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistan Rupees.

### **17.1.2 Interest rate Risk**

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

#### **a) Cash flow interest rate risk**

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the year would have increased / (decreased) by Rs. 0.312 million for Money Market Sub-Fund, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

#### **b) Fair value interest rate risk**

As at December 31, 2023, the Fund does not hold any instruments that expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time.

### **17.1.3 Price Risk**

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to factors specific to the individual financial instrument or its issuer such as, change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, or factors affecting all similar financial instruments traded in the market such as changes in the industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to achieve long term capital growth by investing primarily in equity securities. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio. The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund does not hold any instrument that is exposed to price risk.



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## 17.2 Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

### Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. No redemptions were made during the period.

## 17.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

The carrying amount of financial assets represents the maximum credit exposure.

### Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of Securities and Exchange Commission of Pakistan and VPS Rules, 2005. Before making investment decisions, the credit rating and credit worthiness of the issuer / counterparty is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- Analysing credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit ratings.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

### Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

December 31, 2023 (Un-audited)								
Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		
Balance as per the statement of assets and liabilities	Maximum exposure	Balance as per the statement of assets and liabilities	Maximum exposure	Balance as per the statement of assets and liabilities	Maximum exposure	Balance as per the statement of assets and liabilities	Maximum exposure	
----- (Rupees) -----								
Balance with banks	500,000	500,000	500,000	500,000	500,000	500,000	31,200,529	31,200,529

### Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investments and profit accrued thereon. The credit rating profile of balances with banks is as follows:

December 31, 2023 (Un-audited)								
Bank balance by rating category	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%
AA+/A1+	-	0%	-	0%	-	0%	30,273,692	96%
AA-/A1+	-	0%	-	0%	-	0%	-	0%
A+/A1	500,000	100%	500,000	100%	500,000	100%	1,200,529	4%
Total balance including profit due	-	0%	-	0%	-	0%	31,474,221	100%
	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>31,474,221</b>	<b>100%</b>

The asset of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated. Above rates are on the basis of available ratings assigned by PACRA and VIS as of the reporting date.

### Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The Fund's portfolio exposed to credit risk primarily consists of bank deposits.

All financial assets of the Fund as at December 31, 2023 are unsecured and are not impaired.

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	December 31, 2023 (Un-audited)							
	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%
Commercial banks (including profit	500,000	100%	500,000	100%	500,000	100%	31,474,221	100%
	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>31,474,221</b>	<b>100%</b>

### Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

## 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities held as at December 31, 2023 including their levels in the fair value hierarchy:



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

**18.2 Transfers during the year**

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the period.

**19 PARTICIPANTS' FUND RISK MANAGEMENT (CAPITAL RISK)**

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradeable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in respective such sub-fund, in his/her individual pension account (IPA).

**20 TOTAL EXPENSE RATIO**

Section 67G of the NBFC Regulations 2008 prescribes annualised total expense ratio (TER) limits for Voluntary Pension Schemes (VPSs). However, the KPK Rules have specified a lower cap of 1%, 1.75%, 0.75% and 0.75% for TER excluding takaful / insurance charges and separate cap for takaful / insurance charges of 0.25% for each sub-fund. These thresholds are within the maximum limits prescribed under the NBFC Regulations of 4.5%, 4.5%, 2.5% & 2% for Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. Based on the current period results the total expense ratio is as follows:

	<b>December 31, 2023 (Un-audited)</b>			
	<b>Equity Index Sub-Fund</b>	<b>Equity Sub-Fund</b>	<b>Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>
	----- % -----			
Annualized Total Expense Ratio	0.00%	0.00%	0.00%	1.51%
Government levy, SWWF and SECP fees	0.00%	0.00%	0.00%	0.06%
Insurance charges	0.00%	0.00%	0.00%	0.00%

**21 PERFORMANCE TABLE**

Performance Information	December 31, 2023 (Un-audited)			
	Equity Index	Equity	Debt	Money Market
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
	----- (Rupees) -----			
Net Assets	500,000	500,000	500,000	31,452,247
Net Assets Value Per Unit	100.0000	100.0000	100.0000	100.8068
Net Income after Taxation	-	-	-	251,718
Realized Gain/Loss	-	-	-	-
Un-Realized Gain/loss	-	-	-	-
Dividend Income	-	-	-	-
Net Contribution	500,000	500,000	500,000	31,200,529
	----- (Rupees per unit) -----			
Highest Issue Price	100.0000	100.0000	100.0000	100.0000
Lowest Issue Price	100.0000	100.0000	100.0000	100.0000

**22 DATE OF AUTHORISATION FOR ISSUE**

22.1 These condensed interim financial statements were authorised for issue on February 16, 2024 by the Board of Directors of the Pension Fund Manager.

**23 GENERAL**

23.1 The fund is registered and commenced its operations in current period, therefore no corresponding figure is to be reported.

23.2 These condensed interim financial statements are unaudited and have been reviewed by the auditors.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

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# **HBL**

## **KPK Pension Fund**

## FUND INFORMATION

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Name of Fund	HBL KPK Pension Fund
Name of Auditor	BDO EBRAHIM & Chartered Accountants
Name of Trustee	Central Depository Company Pakistan(CDC)
Bankers	Bank Al falah Limited Soneri Bank Limited



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**INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE PARTICIPANTS OF HBL KPK PENSION FUND**

**Introduction**

We have reviewed the accompanying condensed interim statement of assets and liabilities of HBL KPK PENSION FUND ("the Fund") as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in participants' sub funds', condensed interim statement of cash flows together with a summary of significant accounting policies and other explanatory notes forming parts thereof (here-in-after referred to as the "condensed interim Financial Statement"), for the period from December 14, 2023 to December 31, 2023. HBL Asset Management Limited ("the Pension Fund Manager") is responsible for the preparation and presentation of this condensed interim Financial Statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim Financial Statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of condensed interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim Financial Statements as at and for the period from December 14, 2023 to December 31, 2023 do not present fairly, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan

KARACHI

DATE: 26 FEB 2024

UDIN: AR202310166biLEre8GH

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

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Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE PARTICIPANTS**

**HBL KPK PENSION FUND**

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h)  
of the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL KPK Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the period from December 14, 2023 to December 31, 2023 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, the management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 29, 2024



**HBL KPK Pension Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT DECEMBER 31, 2023*

					December 31, 2023				
					Equity Index	Equity	Debt	Money market	Total
					Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
					(Rupees)				
<b>ASSETS</b>									
Bank balances	4	500,000	500,000	500,000	31,181,304	32,681,304			
Markup on bank deposit receivable		-	-	-	328,446	328,446			
Preliminary expenses and floatation costs	5	-	-	-	444,407	444,407			
<b>Total assets</b>		<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>31,954,157</b>	<b>33,454,157</b>			
<b>LIABILITIES</b>									
Payable to HBL Asset Management Limited - Pension Fund Manager	6	-	-	-	450,000	450,000			
Payable to Central Depository Company of Pakistan Limited - Trustee	7	-	-	-	2,474	2,474			
Annual fee payable to the Securities and Exchange Commission of Pakistan	8	-	-	-	582	582			
Accrued expenses and other liabilities	9	-	-	-	13,331	13,331			
<b>Total liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>466,387</b>	<b>466,387</b>			
<b>NET ASSETS</b>		<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>31,487,770</b>	<b>32,987,770</b>			
<b>PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)</b>					<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>31,487,770</b>	<b>32,987,770</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>									
					----- (Number of units) -----				
<b>Number of units in issue</b>	12	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>311,813</b>				
					----- (Rupees) -----				
<b>Net assets value per unit</b>		<b>100.0000</b>	<b>100.0000</b>	<b>100.0000</b>	<b>100.9829</b>				

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

**HBL KPK Pension Fund**  
**Condensed Interim Income Statement (Un-Audited)**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

		December 31, 2023				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	Note	----- (Rupees) -----				
<b>INCOME</b>						
Mark-up on bank deposits		-	-	-	328,446	328,446
<b>Total income</b>		-	-	-	328,446	328,446
<b>EXPENSES</b>						
Remuneration to HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-
Sindh Sales Tax on remuneration to HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-
Remuneration to Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,189	2,189
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee		-	-	-	285	285
Annual fee - Securities and Exchange Commission of Pakistan		-	-	-	582	582
Auditor's remuneration		-	-	-	13,331	13,331
Amortisation of formation cost		-	-	-	5,593	5,593
<b>Total expenses</b>		-	-	-	21,980	21,980
<b>Net income for the period before taxation</b>		-	-	-	306,466	306,466
Taxation	14	-	-	-	-	-
<b>Net income for the period after taxation</b>		-	-	-	306,466	306,466
<b>Earnings per unit</b>	15					

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

## HBL KPK Pension Fund

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

FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

December 31, 2023				
Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees) -----				
Net income for the period after taxation	-	-	306,466	306,466
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	306,466	306,466

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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

## HBL KPK Pension Fund

### Condensed Interim Statement of Movement in Unit Holders' Fund

FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023

	December 31, 2023				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
Net assets at the beginning of period	-	-	-	-	-
Amount received on issue of units	500,000	500,000	500,000	31,181,304	32,681,304
Amount paid on redemption of units	-	-	-	-	-
	500,000	500,000	500,000	31,181,304	32,681,304
Net income for the period	-	-	-	306,466	306,466
Net assets at the end of period	500,000	500,000	500,000	31,487,770	32,987,770

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited  
(Pension Fund Manager)

\_\_\_\_\_  
Chief Financial Officer

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

\_\_\_\_\_  
Director

**HBL KPK Pension Fund**  
**Condensed Interim Cash Flow Statement (Unaudited)**  
**FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023**

December 31, 2023				
Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note ----- (Rupees) -----				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income for the period	-	-	306,466	306,466
Adjustments for non cash items:	-	-	-	-
(Increase) in assets				
Formation Cost	-	-	(444,407)	(444,407)
Markup on bank deposit receivable	-	-	(328,446)	(328,446)
	-	-	(772,853)	(772,853)
Increase in liabilities				
Payable to the Pension Fund Manager	-	-	450,000	450,000
Payable to Trustee	-	-	2,474	2,474
Annual fee - Securities and Exchange	-	-	582	582
Commission of Pakistan (SECP)	-	-	13,331	13,331
Accrued expenses and other liabilities	-	-	466,387	466,387
<b>Net cash flows from operating activities</b>	-	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipt from issuance of units	500,000	500,000	31,181,304	32,681,304
Payments on redemption of units	-	-	-	-
Net cash flows from financing activities	500,000	500,000	31,181,304	32,681,304
Net increase in cash and cash equivalents	500,000	500,000	31,181,304	32,681,304
Cash and cash equivalents at beginning of the period	-	-	-	-
Cash and cash equivalents at end of the period	4 500,000	500,000	31,181,304	32,681,304

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

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

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



# HBL KPK Pension Fund

## Notes to the Condensed Interim Financial Information (Unaudited)

*FOR THE PERIOD FROM DECEMBER 14, 2023 TO DECEMBER 31, 2023*

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### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL KPK Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on September 12, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 22, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 14, 2023.
- 1.2 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.3 The Fund is an unlisted pension scheme and units are offered on a continuous basis to employees of KPK Government appointed / recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization. The units are non-transferable except in the circumstances mentioned in VPS Rules and KPK Act 2022 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.
- 1.4 The Fund consists of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (collectively the "Sub-Funds"). Under the KPK Civil Servants Act 2022, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain in operative till then. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document and the KPK Rules, 2022.
- 1.5 Except for the departure from investment policy provided in the offering document, where the Pension Fund Manager shall place the seed capital amount of all sub-funds other than Money market Sub-Fund in a separate bank account in a commercial bank having at least such rating as prescribed thereunder for first three years from the date of launch of the Pension Fund, the investment shall be made as per the investment policy mentioned in the offering document. The investment policy for each of the sub-funds is as follows:
- The investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KSE-100 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Treasury bills not exceeding 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document;



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- The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub Fund shall be invested in equity securities which are listed on Pakistan Stock Exchange (PSX) or for the listing of which an application has been approved by PSX and Equity Sub Fund shall be eligible to invest in units of Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. 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. Composition of the remaining portion of the investments shall be as defined in the offering document;
  - The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. Exposure to any single entity or debt securities of a single entity shall not exceed 10% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
  - The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The Money Market Sub-Fund consists of short-term money market securities with weighted average time to maturity not exceeding 1 year. Exposure to any single entity or debt securities of a single entity, with the exception of those issued by the Federal Government, shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. However, at all times, at least 10% of the NAV of the Sub-Fund shall be invested scheduled commercial banks having prescribed ratings or government securities having upto 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document.

The Fund offers Life Cycle Allocation scheme to its participants with an option to allocate their contributions in a pre-planned allocation strategy as per their age. The exact exposure to each Sub Fund within the Allocation Scheme would be decided by the Employee at time of individual pension account opening and may be changed at any time at their discretion subject to age limits prescribed under KPK Rules. However, for initial three years from opening of account, the contribution of Employees will be invested in Money Market Sub-Fund only. The Employee may exercise the right to choose the exposure from the Allocation scheme subsequent to the initial three year period in the absence of which the Pension Fund Manager, keeping in view the profile and age of the Employee, shall allocate the Contributions to the Default Asset Allocation Scheme as specified in the constitutive documents and the KPK Rules. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

1.6 VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable Outlook)' on December 29, 2023 to the Pension Fund Manager.

1.7 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as Trustee of the Fund.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim financial statements of the Fund have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

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- The requirements of the Constitutive Documents, Voluntary Pension System Rules, 2005 (VPS Rules), The Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) and the directives issued by the SECP;
  - Provisions of and or directives issued under the Companies Act, 2017.

Wherever the requirements of the Constitutive Documents, the VPS Rules, NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Trust Deed, the VPS Rules (2005) or the requirements of the said directives prevail.

- 2.11 These condensed interim financial statements are being submitted to the participants as required under Regulation 67B(vi) of the NBFC Regulations, 2008.
- 2.12 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.
- 2.13 These condensed interim financial statements are presented in Pakistani rupee ("Rupees" or "Rs."), which is the functional and presentation currency of the Fund.
- 2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period

'There are certain amendments to the accounting and reporting standards that are mandatory for the Fund in the current period. However, these are considered either not to be relevant or do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

- 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

There are certain new amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

#### **3.2 Cash and cash equivalents**

Cash and cash equivalents comprise of balances with banks and short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried in the statement of assets and liabilities at cost / nominal amount.

#### **3.3 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **3.3.1 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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### 3.3.1.1 Classification and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### 3.3.1.1.1 Debt instruments

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- at amortised cost
- at fair value through other comprehensive income (FVTOCI)
- at fair value through profit or loss (FVTPL) based on the business model of the entity

However, debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The fair value of debt instruments is determined as follows:

The government debt securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV rates) which are based on the remaining tenor of the securities.

The fair value of debt securities (other than government debt securities) not listed on stock exchange is based on the value determined and announced by Mutual Fund Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued SECP. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

#### 3.3.1.1.2 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVTOCI. The Pension Fund Manager considers its investment in equity securities being managed as a group of assets and will be classified as FVTPL. Accordingly, the irrevocable option has not been considered.

The fair value of equity instruments is determined by using the published rates listed on the PSX daily quotation on the last working day of the reporting period.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

#### 3.3.1.2 Impairment

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

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The SECP/Commission, through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017, has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

### **3.3.1.3 Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

### **3.3.1.4 Derivatives**

Derivative instruments are initially recognised at fair value and subsequent to initial measurement each derivative instrument is remeasured to its fair value and the resultant gain or loss is recognised in the Income Statement.

### **3.3.2 Financial liabilities**

All financial liabilities are recognized at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognized at fair value and subsequently stated at amortized cost using effective interest method. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement. Financial liabilities include payable to the Pension Fund Manager and other liabilities.

#### **3.3.2.1 Classification and subsequent measurement**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through profit or loss. Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading or derivatives) or the Fund has opted to measure them at fair value through profit or loss.

#### **3.3.2.2 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

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### **3.3.3 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **3.3.4 Regular way contracts**

All regular way purchases and sales of financial assets and liabilities are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset or liability. Regular way purchases / sales of assets / liabilities require delivery of securities within two days from the transaction date as per the stock exchange regulations.

### **3.4 Preliminary expenses and floatation costs**

Preliminary expenses and floatation costs represent expenditure incurred prior to the commencement of operations of the Fund and include expenditure incurred in connection with the establishment and authorization of the Pension Fund. These costs are being amortised over a period of five years in accordance with the requirements set out in the Trust Deed of the Fund and the NBFC Regulations.

### **3.5 Provisions**

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### **3.6 Net asset value per unit**

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the sub-fund's total net asset value by the number of units in circulation at the year end. The total net asset value is determined as prescribed under Regulation 67H and 66 of the NBFC Regulations. However, since only the Money-Market Sub-fund is operative at the moment for issuance of units, the NAV of the remaining three sub-funds is locked at its Par Value of Rs. 100.00 per unit.

### **3.7 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Pension Fund manager for the applications received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day. Units redeemed are recorded at the redemption price applicable to units for which the Pension Fund Manager receive redemption applications during business hours of that day. The redemption price is equal to NAV as of the close of the business day.

### **3.8 Revenue recognition**

- Capital gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.

- Income on sukuk certificates, term deposit receipts and government securities is recognized on an accrual basis except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognized on a time proportionate basis using bank's approved rates when accrued.

### 3.9 Expenses

All expenses chargeable to the Fund including remuneration of the Pension Fund Manager and Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

### 3.10 Distribution to the unit holders

No distribution of Income or dividend shall be allowed from any of the sub-funds. Any income earned shall be accumulated and retained in the respective sub-funds.

### 3.11 Taxation

The income of the Fund is exempt from income tax under Clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Fund is also exempt from the provisions of section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### 3.12 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 4 BANK BALANCES

		December 31, 2023 (Un-audited)				
		Equity Index	Equity	Debt	Money Market	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Note		----- (Rupees)-----				
Savings accounts	4.1	500,000	500,000	500,000	31,181,304	32,681,304

4.1 These carry profit at the rate of 22.2% per annum.

## 5 PRELIMINARY EXPENSES AND FLOATATION COSTS

		December 31, 2023 (Un-audited)				
		Equity Index	Equity	Debt	Money Market	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Note		----- (Rupees)-----				
Cost charged	5.1	-	-	-	450,000	450,000
Less: Amortization for the period		-	-	-	(5,593)	(5,593)
Closing Balance		-	-	-	444,407	444,407

5.1 Under Regulation 60(2) and 60(3)(i) of the NBFC Regulations, 2008, formation costs incurred in connection with the establishment and registration of the Fund borne by the Pension Fund Manager and reimbursable shall be chargeable to the Fund, not exceeding 1.5 % of the Seed Capital of each Sub-Fund and shall amortized over a period of five years.

## 6 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

		December 31, 2023 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Remuneration Payable to the Pension Fund Manager	6.1	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	6.2	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	6.3	-	-	-	450,000	450,000
		-	-	-	450,000	450,000

- 6.1 The Pension Fund Manager is allowed to charge fees as remuneration for the management of fund within the limits of the Total Expense Ratio (TER) prescribed in the Trust Deed. However, no such fees was charged by the Pension Fund Manager during the period.
- 6.2 The Sindh Government has levied Sindh Sales Tax at the rate of 13% on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011.
- 6.3 Formation Costs as agreed with the employer, not exceeding 1.5 % of the Seed Capital of each Sub-Fund, including expenditure incurred in connection with the establishment and authorization of the Pension Fund, shall be borne by the Pension Fund, paid to the Pension Fund Manager within the first three months of complete receipt of proceeds against Seed Capital Units subscribed by the Seed Investors.

## 7 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

		December 31, 2023 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Remuneration to the Central Depository of Pakistan Limited - Trustee	7.1	-	-	-	2,189	2,189
Sindh Sales Tax on remuneration of Trustee	7.2	-	-	-	285	285
		-	-	-	2,474	2,474

- 7.1 As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations. During the period such fees is charged as follows:

Net Assets	Tariff per annum
Upto Rs.1 billion	0.15% p.a. of Net Assets
Rs.1 billion to Rs.3 billion	Rs.1.5 million plus 0.10% p.a. of Net Assets exceeding Rs.1 billion
Rs.3 billion to Rs.6 billion	Rs.3.5 million plus 0.08% p.a. of Net Assets exceeding Rs.3 billion
Over Rs.6 billion	Rs.5.9 million plus 0.06% p.a. of Net Assets exceeding Rs.6 billion

- 7.2 Sales tax at the rate of 13% on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

## 8 ANNUAL FEES PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

As per Clause 36 of the VPS Rules, 2005 the Pension Fund Manager shall pay an annual fee to the Commission an amount equal to one twenty-fifth of one per cent of the average annual net asset value of the pension fund. The fees is chargeable to the fund under Regulation 60 (3)(f) and 67G (3) of the NBFC Regulations and is payable in arrears. During the period the Pension Fund Manager has charged the fees accordingly for the period from the launch of the Fund's operations on December 14, 2023 to December 31, 2023 period-end.

## 9 ACCRUED EXPENSES AND OTHER LIABILITIES

	December 31, 2023 (Un-audited)				
	Equity Index	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	----- (Rupees) -----				
Audit fees payable	-	-	-	13,331	13,331
	-	-	-	13,331	13,331

## 10 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023.

## 11 CONTRIBUTION TABLE

Contribution (net of front end fee) received during the period.

	December 31, 2023 (Un-audited)									
	Equity Index		Equity		Debt		Money Market		Total	
	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)
From:										
Individuals	-	-	-	-	-	-	11,813	1,181,304	11,813	1,181,304
Habib Bank Limited - Seed Investor	5,000	500,000	5,000	500,000	5,000	500,000	300,000	30,000,000	315,000	31,500,000

## 12 NUMBER OF UNITS IN ISSUE

	December 31, 2023 (Un-audited)				
	Equity Index	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
	----- (Number of units) -----				
Total units outstanding at beginning of the period	-	-	-	-	-
Units issued during the period	5,000	5,000	5,000	326,813	326,813
Units redeemed during the period	-	-	-	-	-
Reallocation during the period	-	-	-	-	-
Total units in issue at the end of the period	5,000	5,000	5,000	326,813	326,813

## 13 BASIS OF ALLOCATION OF EXPENSES TO EACH SUB-FUND

- 13.1 Remuneration to the Pension Fund Manager and remuneration to the Trustee is allocated to each sub-fund on the basis of net assets of the sub-fund.
- 13.2 Formation Cost shall be divided equally among all the Sub-Funds operative.
- 13.3 Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription, brokerage and transaction costs, bank charges and all direct expenses of Sub Fund, shall be charged to the pertinent Sub-Funds.
- 13.4 Legal costs, audit fees and annual fees payable to the Commission and any other common expenses in accordance with the VPS Rules and NBFC Regulations, and as defined in the Constitutive documents, shall be charged to the pertinent Sub-Funds in proportion to their respective net assets.

## 14 TAXATION

The income of the fund is exempt from tax under clause 57(3)(viii) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further, the Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A Part IV to Second Schedule of the Income Tax Ordinance 2001. Accordingly Super Tax and any other taxes introduced in Finance Act 2015 are also not applicable on the Fund.



## 15 EARNINGS / (LOSS) PER UNIT

Earnings/(Loss) per unit based on cumulative weighted average units for the period has not been disclosed as in the opinion of the Pension Fund Manager, the determination of the same is not practicable.

## 16 TRANSACTIONS WITH CONNECTED PERSONS

Connected persons include HBL Asset Management Limited being the Pension Fund Manager, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, Collective Investment Schemes and other Voluntary Pension Systems managed by the Pension Fund Manager, directors and officers of the Pension Fund Manager, directors of connected persons and persons having 10% or more beneficial ownership or voting power of the units of the Fund or the capital of the Pension Fund Manager.

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

Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

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

### 16.1 Transactions during the period

	December 31, 2023 (Un-audited)					
	Equity Index	Equity	Debt	Money Market	Total	
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund		
	----- (Rupees) -----					
<b>HBL Asset Management Limited - Pension Fund Manager</b>						
Remuneration of the Pension Fund Manager	-	-	-	-	-	
Sindh Sales Tax on remuneration of the Pension Fund Manager	-	-	-	-	-	
Preliminary expenses and floatation costs	-	-	-	450,000	450,000	
<b>Habib Bank Limited - Sponsor</b>						
Issuance of Seed Capital Units	<i>Number</i>	5,000	5,000	5,000	300,000	315,000
Amount of Seed Capital Units issued		500,000	500,000	500,000	30,000,000	31,500,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,189	2,189	
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	285	285	

16.2 Balances outstanding as at period end

	December 31, 2023 (Un-audited)				
	Equity Index	Equity	Debt	Money Market	Total
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
----- (Rupees) -----					
<b>HBL Asset Management Limited - Pension Fund Manager</b>					
Remuneration Payable to the Pension Fund Manager	-	-	-	-	-
Sindh Sales Taxpayable on remuneration of the Pension Fund Manager	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	-	-	-	450,000	450,000
<b>Habib Bank Limited - Sponsor</b>					
Seed Capital Units held	<i>Number</i>	5,000	5,000	300,000	315,000
Amount of Seed Capital Units held at NAV		500,000	500,000	30,294,855	31,794,855
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	2,189	2,189
Sindh Sales Taxon remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	285	285

17 FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Board of Directors (the Board) of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Pension Fund Manager, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

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## **17.1 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee. The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

Market risk comprises of three types of risks: currency risk, interest rate risk and other price risk.

### **17.1.1 Currency risk**

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistan Rupees.

### **17.1.2 Interest rate Risk**

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

#### **a) Cash flow interest rate risk**

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the year would have increased / (decreased) by Rs. 0.312 million for Money Market Sub-Fund, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

#### **b) Fair value interest rate risk**

As at December 31, 2023, the Fund does not hold any instruments that expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time.

### **17.1.3 Price Risk**

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to factors specific to the individual financial instrument or its issuer such as, change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, or factors affecting all similar financial instruments traded in the market such as changes in the industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to achieve long term capital growth by investing primarily in equity securities. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio.

The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund does not hold any instrument that is exposed to price risk.

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## 17.2 Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

### Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. No redemptions were made during the period.

## 17.3 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arising on the debt instruments is mitigated by investing in rated instruments or instruments issued by rated counterparties of credit ratings of at least investment grade by the recognised rating agencies. The Fund receives a monthly rating update, against which investments are reviewed.

The carrying amount of financial assets represents the maximum credit exposure.

### Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of Securities and Exchange Commission of Pakistan and VPS Rules, 2005. Before making investment decisions, the credit rating and credit worthiness of the issuer / counterparty is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Pension Fund Manager of the Fund in the following manner:

- Analysing credit ratings and obtaining adequate collaterals wherever appropriate / relevant.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements on a regular basis.
- Cash is held only with reputable banks with high quality external credit ratings.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

### Exposure to credit risk

The table below analyses the Fund's maximum exposure to credit risk:

December 31, 2023 (Un-audited)								
Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		
Balance as per the statement of assets and liabilities	Maximum exposure	Balance as per the statement of assets and liabilities	Maximum exposure	Balance as per the statement of assets and liabilities	Maximum exposure	Balance as per the statement of assets and liabilities	Maximum exposure	
(Rupees)								
Balance with banks	500,000	500,000	500,000	500,000	500,000	500,000	31,181,304	31,181,304

### Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks, investments and profit accrued thereon. The credit rating profile of balances with banks is as follows:

December 31, 2023 (Un-audited)								
Bank balance by rating category	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%
AA+/A1+	-	0%	-	0%	-	0%	30,273,692	96%
AA-/A1+	-	0%	-	0%	-	0%	-	0%
A+/A1	500,000	100%	500,000	100%	500,000	100%	-	0%
Total balance including profit due	-	0%	-	0%	-	0%	1,200,529	4%
	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>31,509,750</b>	<b>100%</b>

The asset of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated. Above rates are on the basis of available ratings assigned by PACRA and VIS as of the reporting date.

### Concentration of credit risk

Concentration of credit risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Fund mainly deals in equity securities which are primarily subject to price risk. The Fund's portfolio of other financial assets is broadly diversified and transactions are entered into with diverse credit worthy counterparties thereby mitigating any significant concentration of credit risk. The Fund's portfolio exposed to credit risk primarily consists of bank deposits.

All financial assets of the Fund as at December 31, 2023 are unsecured and are not impaired.

Details of Fund's concentration of credit risk of financial instruments by economic sectors are as follows:

	December 31, 2023 (Un-audited)							
	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	(Rupees)	%	(Rupees)	%	(Rupees)	%	(Rupees)	%
Commercial banks (including profit	500,000	100%	500,000	100%	500,000	100%	31,509,750	100%
	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>500,000</b>	<b>100%</b>	<b>31,509,750</b>	<b>100%</b>

### Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed on sale.

For the vast majority of transactions the Fund mitigates this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations.

## 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as 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 (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value.

The following table shows financial instruments recognized at fair value, analyzed between those whose fair value is based on:

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

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 5.

The following tables show the carrying amounts and fair values of financial assets and financial liabilities held as at December 31, 2023 including their levels in the fair value hierarchy:



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

**18.2 Transfers during the year**

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the period.

**19 PARTICIPANTS' FUND RISK MANAGEMENT (CAPITAL RISK)**

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradeable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in respective such sub-fund, in his/her individual pension account (IPA).

**20 TOTAL EXPENSE RATIO**

Section 67G of the NBFC Regulations 2008 prescribes annualised total expense ratio (TER) limits for Voluntary Pension Schemes (VPSs). However, the KPK Rules have specified a lower cap of 1%, 1.75%, 0.75% and 0.75% for TER excluding insurance charges and separate cap for insurance charges of 0.25% for each sub-fund. These thresholds are within the maximum limits prescribed under the NBFC Regulations of 4.5%, 4.5%, 2.5% & 2% for Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund respectively. Based on the current period results the total expense ratio is as follows:

	<b>December 31, 2023 (Un-audited)</b>			
	<b>Equity Index Sub-Fund</b>	<b>Equity Sub-Fund</b>	<b>Debt Sub-Fund</b>	<b>Money Market Sub-Fund</b>
	----- % -----			
Annualized Total Expense Ratio	0.00%	0.00%	0.00%	1.51%
Government levy, SWWF and SECP fees	0.00%	0.00%	0.00%	0.06%
Insurance charges	0.00%	0.00%	0.00%	0.00%



**21 PERFORMANCE TABLE**

Performance Information	December 31, 2023 (Un-audited)			
	Equity Index	Equity	Debt	Money Market
	Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund
	----- (Rupees) -----			
Net Assets	500,000	500,000	500,000	31,487,770
Net Assets Value Per Unit	100.0000	100.0000	100.0000	100.9829
Net Income after Taxation	-	-	-	306,466
Realized Gain/Loss	-	-	-	-
Un-Realized Gain/loss	-	-	-	-
Dividend Income	-	-	-	-
Net Contribution	500,000	500,000	500,000	31,181,304
	----- (Rupees per unit) -----			
Highest Issue Price	100.0000	100.0000	100.0000	100.0000
Lowest Issue Price	100.0000	100.0000	100.0000	100.0000

**22 DATE OF AUTHORISATION FOR ISSUE**

22.1 These condensed interim financial statements were authorised for issue on February 16, 2024 by the Board of Directors of the Pension Fund Manager.

**23 GENERAL**

23.1 The fund is registered and commenced its operations in current period, therefore no corresponding figure is to be reported.

23.2 These condensed interim financial statements are unaudited and have been reviewed by the auditors.

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

\_\_\_\_\_  
**Chief Financial Officer**

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








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










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