



## Voluntary Pension Schemes

NINE MONTHS  
REPORT **2024**

For the period ended March 31, 2024

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 April 26, 2024)

<b>Chairman</b>	Mr. Shahid Ghaffar	(Independent Director)
<b>Directors</b>	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

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

#### Human Resource & Remuneration Committee

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

#### Risk Management Committee

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

#### Technology Committee

<b>Chairman</b>	Mr. Abrar Ahmed Mir	(Non-Executive Director)
<b>Members</b>	Mr. Abid Sattar Ms. Ava Ardeshir Cowasjee	(Independent Director) (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.hblasset.com](http://www.hblasset.com)

**Head Office & Registered Office** 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

# REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of HBL Pension Fund, HBL Islamic Pension Fund, HBL KPK Pension Fund and HBL KPK Islamic Pension Fund (the Funds) for the period ended March 31, 2024.

## 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 which helped shored up reserves. SBP reserves increased from USD 4.4B in June 2023 to USD 8B in March 2024.

Pakistan successfully completed the first review of its IMF SBA agreement in January 2024, securing USD 700M. The IMF released a review report, outlining several important points: (i) GDP growth is forecasted at 2% for FY24 with a targeted primary surplus of 0.4%, (ii) Inflation is expected to decrease in the second half of FY24, (iii) There's a necessity for tight and proactive monetary policy, (iv) The Current Account Deficit is projected to be USD 5.6 billion in FY24, and (v) The report emphasizes the continuation of energy sector reforms, including the elimination of cross subsidies and the regular implementation of semiannual gas tariff plans. Pakistan has also successfully completed the last review whose approval is pending from the Executive Board. Pakistan will receive last tranche of USD 1.1B after IMF Executive Board approval.

During the initial half of FY24, the exchange rate experienced significant fluctuations. The removal of import constraints in July 2024 resulted in increased demand for USD, causing the PKR to weaken to 307/USD by August. To stabilize the currency's decline, the State Bank of Pakistan (SBP) intensified supervision of Exchange Companies, raised their capital requirements, while Law Enforcement Agencies cracked down on smuggling, hoarding, and illicit market activities. These actions contributed to a decrease in the exchange rate to 277/USD by October, restoring stability to the PKR. By March 2024, the exchange rate settled at 278/USD compared to 286/USD in June 2023. Additionally, alongside administrative measures, a current account surplus of USD 233M from August 2023 to March 2024 (9MFY24 deficit of USD 508M) provided further support to the exchange rate.

On fiscal side, GDP growth in 1QFY24 and 2QFY24 recorded at 2.5% and 1% vs 1% and 2.2% in SPLY respectively. The growth is primarily driven by healthy crop output. On the other hand, Industrial segment recorded a negative growth during the period due to import restrictions in the beginning of the fiscal year and tight monetary and fiscal policies. Due to economic slowdown services sector also posted a meagre growth in 1HFY24.

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.

Inflationary pressures persisted during the period under review as energy prices were adjusted according to the IMF agreement. Additionally, the fluctuating PKR and the secondary impacts of PKR depreciation, coupled with elevated energy tariffs, played a role in maintaining inflation at higher levels. Headline inflation averaged 27.2% year-on-year in the first nine months of FY24. Core inflation stood at 20.3%, while food inflation reached 29.4% year-on-year. In response to these inflationary pressures, the State Bank of Pakistan (SBP) maintained the policy rate at 22% during the same period. However, inflation has begun to decrease from the third quarter of FY24.

## STOCK MARKET REVIEW

During the nine months of the outgoing fiscal year, the benchmark KSE-100 gained 25,552 points (62%) from 41,452 level to 67,005 level, while KMI-30 index gained 59% to close at 112,364 pts. 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 (vii) efforts to resolve energy chain issues (viii) smooth transition to the newly elected coalition government after general election in February (ix) announcement of refinery and tight gas policies (x) and strong corporate earnings.

Renewed interest by investors led to higher trading activity as average volume and value of KSE-All increased by 122% and 120% to 451M and PKR 14.4B respectively in 9MFY24 as compare with same period last year.

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## **STOCK MARKET REVIEW**

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## **MONEY MARKET REVIEW**

SBP conducted six monetary policies during 9MFY24 where it kept the policy rate unchanged at 22%. SBP highlighted 1) impact of higher energy tariffs, 2) high commodity prices and 3) Lower than anticipated Inflows in FDI and lower remittances 4) uncertainties in Middle East, 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 and subsequently expected reduction in the policy rate, secondary market yields witnessed a declining trend in 1HFY23. Yields on shorter tenor 3M, 6M and 1Y TBills were down ~93bps, 133bps and 220bps to 21.72%, 21.54% and 20.68% respectively. Similarly, 3Y and 5Y Fixed PIB yields decreased 273 bps and 51 bps to 16.74% and 15.57% respectively. During 9MFY24, government against a target of PKR 18T borrowed PKR 19.7T via T-Bill auction. Similarly, government raised PKR 7.2T through PIBs (majorly Floating Rate PIBs) during 9MFY24.

In variable rate Ijarah Sukuk, government raised PKR 1.5T during 9MFY24 against target of PKR 890B. Similarly, through fixed rate Ijarah Sukuk, government raised PKR 529B during 9MFY24 against the target of PKR 610B. Government also raised PKR 73B against the target of PKR 120B in fixed rate discounted Sukuk.

## **FUTURE OUTLOOK**

Pakistan has formally requested IMF for the long term EFF programme of USD 6B – 8B. This programme will play a vital role in economic revitalization and will likely focus on taxing untaxed segments of the economy, removing cross subsidization, privatization of SOEs and resolving energy chain issues. Foreign flows from multilateral and bilateral will also be depended on the successful negotiation of new IMF programme.

We expect Pakistan's GDP growth rate to remain around 2% in FY24. The growth would be much below the potential GDP growth rate due to stringent fiscal and monetary measures undertaken in FY23 and FY24.

Current account now likely be much lower than the initial estimates due to suppressed demand resulting in lower imports, increase in exports and remittances. Current Account Deficit is estimated to be in the range of USD 1B to 2B. Furthermore, expectation of investments from KSA in different sectors of an economy will likely support the parity and help Pakistan in meeting its debt obligations. We do not expect sharp PKR devaluation in near term.

Inflation has started its deceleration path as evident by the quarterly average – 3QFY24 was 24% vs 29% of 1QFY24. The March reading was 20.7%. High base effect has played a major role in the downward trend of inflation. We expect inflation to continue its downward momentum in upcoming months.

Spot real interest rates have turned positive in the month of March 2024. As inflation is expected to remain much lower than the policy rate, we believe that SBP will soon begin the monetary easing cycle. However, escalation of Israel-Palestine conflict, resulting in increase in oil prices, increase in energy tariffs and second round of effect of energy tariff hike 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. 239.30 million and Rs. 221.55 million respectively during the period under review. The fund size increased from Rs. 1,141.42 million as on June 30, 2023 to Rs. 1,572.35 million as at March 31, 2024 thereby showing an increase of 38% during the period under review. Performance review for each sub Fund is given below:

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### **Equity Sub-Fund**

During the period under review, the Equity sub-fund earned a total and income of Rs. 31.81 million and Rs. 29.52 million respectively. The net assets of the Equity sub-fund was Rs. 84.97 million representing Net Asset Value (NAV) of Rs. 458.7376 per unit as at March 31, 2024. The Sub Fund yielded a return of 52.14% for the period under review. The Fund is invested to the extent of 89% in equities.

### **Debt Sub-Fund**

During the period under review, the Debt sub-fund earned total and net income of Rs. 74.93 million and Rs. 69.40 million respectively. The net assets of the Debt sub-fund was Rs. 534.72 million representing Net Asset Value (NAV) of Rs. 326.0607 per unit as at March 31, 2024. The Fund yielded annualized return of 22.57% 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. 132.56 million and Rs. 122.63 million respectively. The net assets of the Money Market sub-fund was Rs. 952.66 million representing Net Asset Value (NAV) of Rs. 282.1193 per unit as at March 31, 2024. An annualized return of 21.33% 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. 147.48 million and Rs. 138.22 million respectively during the period under review. The fund size increased from Rs. 641.32 million as at June 30, 2023 to Rs. 858.99 million as at March 31, 2024 showing an increase of 34%. 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. 40.56 million and Rs. 37.80 million respectively. The net assets of the Equity sub-fund was Rs. 112.76 million representing Net Asset Value (NAV) of Rs. 490.7369 per unit as at March 31, 2024. The Fund yielded a return of 50.78% 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. 47.81 million and Rs. 44.84 million respectively. The net assets of the Debt sub-fund was Rs. 310.53 million representing Net Asset Value (NAV) of Rs. 255.8654 per unit as at March 31, 2024. The Fund yielded annualized return of 21.98% for the period under review.

### **Money Market Sub-Fund**

During the period under review, the Money Market sub-fund earned total and net income of Rs. 59.11 million and Rs. 55.58 million respectively. The net assets of the Money Market sub-fund was Rs. 435.69 million representing Net Asset Value (NAV) of Rs. 248.8953 per unit as at March 31, 2024. An annualized return of 22.13% was earned by the Fund for the period under review.

### **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.

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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. 1.95 million Rs. 1.87 million respectively. The net assets of the Money Market sub-fund was Rs. 34.67 million representing Net Asset Value (NAV) of Rs. 105.8444 per unit as at March 31, 2024. An annualized return of 19.55% 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. 1.70 million Rs. 1.61 million respectively. The net assets of the Money Market sub-fund was Rs. 34.21 million representing Net Asset Value (NAV) of Rs. 105.0448 per unit as at March 31, 2024. An annualized return of 16.90% 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	BDI EBRAHIM & Co. Chartered Accountants.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited NIB Bank Limited Sindh Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited

# HBL Pension Fund

## Condensed Interim Statement of Assets and Liabilities

As at March 31, 2024

Note	March 31, 2024 (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>Assets</b>									
Bank balances	4	5,296	151,806	116,936	274,038	2,864	130,298	37,880	171,042
Investments	5	82,809	370,448	836,031	1,289,288	52,645	243,711	658,530	954,886
Dividend and profit receivable	6	2,039	13,461	3,091	18,591	55	7,110	11,367	18,532
Advances, deposits, prepayments and other receivables	7	6,697	819	216	7,732	2,812	796	229	3,837
<b>Total assets</b>		<b>96,841</b>	<b>536,534</b>	<b>956,274</b>	<b>1,589,649</b>	<b>58,376</b>	<b>381,915</b>	<b>708,006</b>	<b>1,148,297</b>
<b>Liabilities</b>									
Payable to Pension Fund Manager	8	2,585	572	1,004	4,161	78	485	907	1,470
Payable to Trustee	9	16	92	162	270	11	54	99	164
Payable to Securities and Exchange Commission of Pakistan	10	23	135	248	406	27	120	202	349
Accrued expenses and other liabilities	11	9,252	1,015	2,200	12,467	893	1,650	2,349	4,892
<b>Total liabilities</b>		<b>11,876</b>	<b>1,814</b>	<b>3,614</b>	<b>17,304</b>	<b>1,009</b>	<b>2,309</b>	<b>3,557</b>	<b>6,875</b>
<b>Net assets</b>		<b>84,965</b>	<b>534,720</b>	<b>952,660</b>	<b>1,572,345</b>	<b>57,367</b>	<b>379,606</b>	<b>704,449</b>	<b>1,141,422</b>
Participants' sub funds (as per statement attached)		<b>84,965</b>	<b>534,720</b>	<b>952,660</b>	<b>1,572,345</b>	<b>57,367</b>	<b>379,606</b>	<b>704,449</b>	<b>1,141,422</b>
<b>Number of units in issue</b>	12	<b>185,215</b>	<b>1,639,940</b>	<b>3,376,797</b>	<b>5,201,952</b>	<b>190,261</b>	<b>1,362,202</b>	<b>2,898,259</b>	<b>4,450,722</b>
----- (Rupees) -----									
<b>Net assets value per unit</b>		<b>458.7376</b>	<b>326.0607</b>	<b>282.1193</b>		<b>301.5172</b>	<b>278.6710</b>	<b>243.0594</b>	

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

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Pension Fund

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

For the Nine months period ended March 31, 2024

	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>Income</b>								
Dividend income	5,684	-	-	5,684	4,260	-	-	4,260
Profit on bank balances	222	24,163	22,473	46,858	318	17,702	22,354	40,374
Mark-up / return on investments	-	43,351	109,843	153,194	-	17,828	35,158	52,986
Gain / (Loss) on sale of investments - net	15,858	6,759	1,356	23,973	(29,234)	(13)	(258)	(29,505)
Unrealized appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	10,046	658	(1,111)	9,593	23,835	5	376	24,216
<b>Total Income / (Loss)</b>	<b>31,810</b>	<b>74,931</b>	<b>132,561</b>	<b>239,302</b>	<b>(821)</b>	<b>35,522</b>	<b>57,630</b>	<b>92,331</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	817	3,717	6,877	11,411	1,029	1,753	1,893	4,675
Remuneration of Central Depository Company of Pakistan Limited - Trustee	88	543	1,000	1,631	93	366	583	1,042
Annual fee to Securities and Exchange Commission of Pakistan	23	135	248	406	22	86	137	245
Allocation of fees and expenses	-	851	1,534	2,385	-	-	-	-
Auditors' remuneration	50	133	132	315	105	108	109	322
Settlement and bank charges	984	151	136	1,271	796	34	34	864
Other expenses	332	-	-	332	413	15	20	448
<b>Total Expenses</b>	<b>2,294</b>	<b>5,530</b>	<b>9,927</b>	<b>17,751</b>	<b>2,458</b>	<b>2,362</b>	<b>2,776</b>	<b>7,596</b>
<b>Net income / (loss) before taxation</b>	<b>29,516</b>	<b>69,401</b>	<b>122,634</b>	<b>221,551</b>	<b>(3,279)</b>	<b>33,160</b>	<b>54,854</b>	<b>84,735</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period</b>	<b>29,516</b>	<b>69,401</b>	<b>122,634</b>	<b>221,551</b>	<b>(3,279)</b>	<b>33,160</b>	<b>54,854</b>	<b>84,735</b>
<b>Other comprehensive income</b>								
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>29,516</b>	<b>69,401</b>	<b>122,634</b>	<b>221,551</b>	<b>(3,279)</b>	<b>33,160</b>	<b>54,854</b>	<b>84,735</b>

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

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Pension Fund**  
**Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)**  
**For the Quarter ended March 31, 2024**

	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>Income</b>								
Dividend income	2,113	-	-	2,113	900	-	-	900
Profit on bank balances	45	7,655	14,496	22,196	121	4,650	1,722	6,493
Mark-up / return on investments	-	15,476	31,985	47,461	-	8,820	22,101	30,921
Gain / (Loss) on sale of investments - net	3,555	1,832	(19)	5,368	(27,251)	29	127	(27,095)
Unrealized appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	(3,372)	(1,881)	(581)	(5,834)	26,732	(15)	376	27,093
<b>Total Income</b>	<b>2,341</b>	<b>23,082</b>	<b>45,881</b>	<b>71,304</b>	<b>502</b>	<b>13,484</b>	<b>24,326</b>	<b>38,312</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	245	1,398	2,521	4,164	222	632	750	1,604
Remuneration of Central Depository Company of Pakistan Limited - Trustee	36	215	382	633	22	132	231	385
Annual fee to Securities and Exchange Commission of Pakistan	9	50	89	148	5	31	54	90
Allocation of fees and expenses		212	329	541	-	-	-	-
Auditors' remuneration	23	45	45	113	14	34	36	84
Settlement and bank charges	26	74	73	173	344	7	12	363
Other expenses	244	-	-	244	163	3	3	169
<b>Total Expenses</b>	<b>583</b>	<b>1,994</b>	<b>3,439</b>	<b>6,016</b>	<b>770</b>	<b>839</b>	<b>1,086</b>	<b>2,695</b>
<b>Net income / (loss) before taxation</b>	<b>1,758</b>	<b>21,088</b>	<b>42,442</b>	<b>65,288</b>	<b>(268)</b>	<b>12,645</b>	<b>23,240</b>	<b>35,617</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period</b>	<b>1,758</b>	<b>21,088</b>	<b>42,442</b>	<b>65,288</b>	<b>(268)</b>	<b>12,645</b>	<b>23,240</b>	<b>35,617</b>
<b>Other comprehensive income</b>								
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>1,758</b>	<b>21,088</b>	<b>42,442</b>	<b>65,288</b>	<b>(268)</b>	<b>12,645</b>	<b>23,240</b>	<b>35,617</b>

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

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director



**HBL Pension Fund**  
**Condensed Interim Statement of Movement in Participants' Funds (Un-Audited)**  
*For the Nine months period ended March 31, 2024*

Note	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>Net assets at beginning of the period</b>	57,367	379,606	704,449	1,141,422	133,433	294,946	403,035	831,414
Issuance of units	14 19,210	151,631	237,005	407,846	14,853	111,290	344,986	471,129
Redemption of units	(21,128)	(65,918)	(111,428)	(198,474)	(90,532)	(108,840)	(189,415)	(388,787)
Reallocation among funds	-	-	-	-	-	-	-	-
<b>Other comprehensive income</b>								
Net income / (loss) for the period	29,516	69,401	122,634	221,551	(3,279)	33,160	54,854	84,735
Net unrealised (loss) / gain on remeasurement of investments classified as available for sale	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	29,516	69,401	122,634	221,551	(3,279)	33,160	54,854	84,735
<b>Net assets at end of the period</b>	<u>84,965</u>	<u>534,720</u>	<u>952,660</u>	<u>1,572,345</u>	<u>54,475</u>	<u>330,556</u>	<u>613,460</u>	<u>998,491</u>
Net assets value per unit at beginning of the period	<u>301.5172</u>	<u>278.6710</u>	<u>243.0594</u>		<u>312.6200</u>	<u>236.4200</u>	<u>205.8763</u>	
Net assets value per unit at end of the period	<u>458.7376</u>	<u>326.0607</u>	<u>282.1193</u>		<u>294.2609</u>	<u>265.2328</u>	<u>231.8180</u>	

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

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Pension Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
*For the Nine months period ended March 31, 2024*

Note	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Net income / (loss) for the period	29,516	69,401	122,634	221,551	(3,279)	33,160	54,854	84,735
<b>Adjustments</b>								
Unrealized (appreciation) / diminution on re-measurement of investments at fair value through profit or loss	(10,046)	(658)	1,111	(9,593)	(23,835)	(5)	(376)	(24,216)
	19,470	68,743	123,745	211,958	(27,114)	33,155	54,478	60,519
<b>(Increase) / decrease in assets</b>								
Investments - net	(20,118)	(126,079)	(178,612)	(324,809)	103,061	(149,684)	(525,907)	(572,530)
Dividend and profit receivable	(1,984)	(6,351)	8,276	(59)	(499)	(3,517)	(734)	(4,750)
Advances, deposits, prepayments and other receivables	(3,885)	(23)	13	(3,895)	(302)	91	(223)	(434)
	(25,987)	(132,453)	(170,323)	(328,763)	102,260	(153,110)	(526,864)	(577,714)
<b>Increase / (decrease) in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	2,507	87	97	2,691	(333)	32	102	(199)
Payable to Central Depository Company of Pakistan Limited - Trustee	5	38	63	106	(13)	7	26	20
Payable to Securities and Exchange Commission of Pakistan	(4)	15	46	57	(27)	31	61	65
Accrued expenses and other liabilities	8,359	(635)	(149)	7,575	65	255	216	536
	10,867	(495)	57	10,429	(308)	325	405	422
Net cash (used in) / generated from operating activities	4,350	(64,205)	(46,521)	(106,376)	74,838	(119,630)	(471,981)	(516,773)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
Amount received on issue of units	19,210	151,631	237,005	407,846	14,853	111,290	344,986	471,129
Amount paid on redemption of units	(21,128)	(65,918)	(111,428)	(198,474)	(90,532)	(108,840)	(189,415)	(388,787)
Reallocation among funds	-	-	-	-	-	-	-	-
Net cash (used in) / generated from financing activities	(1,918)	85,713	125,577	209,372	(75,679)	2,450	155,571	82,342
Net (decrease) / increase in cash and cash equivalents	2,432	21,508	79,056	102,996	(841)	(117,180)	(316,410)	(434,431)
Cash and cash equivalents at beginning of the period	2,864	130,298	37,880	171,042	3,321	229,087	358,775	591,183
Cash and cash equivalents at end of the period	5,296	151,806	116,936	274,038	2,480	111,907	42,365	156,752

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

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Pension Fund

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

### For the Nine months period ended March 31, 2024

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

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

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

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

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

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

- The Equity Sub-Fund consists of a minimum 90% of net assets invested in listed equity securities. Investment in a single company is restricted to lower of 5% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 25% of NAV or index weight, subject to a maximum of 30% of NAV. Remaining assets of the equity sub-fund shall be invested in any government security having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the Sub-Fund not exceeding five years. At least twenty five percent (25%) of the assets in the Sub-Fund shall be invested in securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating with stable outlook. Exposure to securities issued by companies of a single sector shall not exceed twenty percent (20%) except for banking sector for which the exposure limit shall be up to thirty percent (30%) of net assets of a debt sub-fund. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government. However, deposits with commercial banks having 'A+' or higher rating shall not exceed 20% of net assets of money market sub-fund. Investment in securities issued by provincial government, city government, government corporate entities with 'A' or higher rating or a corporate entity with 'A+' or higher rating or a government corporation with 'A+' or higher rating shall be in proportion as defined in the offering document.

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM1' to the Pension Fund Manager while the Fund is currently not rated.

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

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

"- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and "

- Provisions of and or directives issued under the Companies Act, 2017.

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

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 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** This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

### **2.2 Basis of Measurement**

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

### **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2023.

### **3.1 USE OF ESTIMATES AND JUDGEMENTS**

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

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

### **3.2 FINANCIAL RISK MANAGEMENT**

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

4.	BANK BALANCES	Note	March 31, 2024				June 30, 2023			
			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	5,296	151,806	116,936	274,038	2,864	130,298	37,880	171,042
			<b>5,296</b>	<b>151,806</b>	<b>116,936</b>	<b>274,038</b>	<b>2,864</b>	<b>130,298</b>	<b>37,880</b>	<b>171,042</b>

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 17.50% to 22.65% per annum (June 30, 2023: 13.5% to 19.51% per annum).

#### 5. INVESTMENTS

Note	(Un-audited) March 31, 2024				Audited June 30, 2023				
	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	82,809	-	-	82,809	52,645	-	-	52,645
Government Securities	5.2	-	-	-	-	-	-	-	-
Market Treasury Bills	5.2.1	-	-	746,031	746,031	-	13,436	331,094	344,530
Pakistan Investment Bonds	5.2.2	-	292,610	-	292,610	-	-	234,436	234,436
GOP Ijarah Sukuk	5.2.3	-	-	-	-	-	155,605	-	155,605
Term finance Certificate & Sukuk Bonds	5.3	-	77,838	90,000	167,838	-	74,670	93,000	167,670
Letter of placement	5.4	-	-	-	-	-	-	-	-
		<b>82,809</b>	<b>370,448</b>	<b>836,031</b>	<b>1,289,288</b>	<b>52,645</b>	<b>243,711</b>	<b>658,530</b>	<b>954,886</b>

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

##### Held by Equity sub fund

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

Name of the investee company	As at July 1, 2023	Purchases during the period	Bonus shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of net assets of the sub fund	Market value as a percentage investments of sub fund	Percentage of paid up capital of the investee company held
<b>CHEMICALS</b>										
Ghani Glass Mills Limited	-	29,000	-	-	29,000	-	-	-	-	-
Ittehad Chemicals Limited	-	10,000	-	-	-	10,000	390	0.46%	0.47%	0.01%
	-	<b>39,000</b>	-	-	<b>29,000</b>	<b>10,000</b>	<b>390</b>	<b>0.46%</b>	<b>0.47%</b>	<b>0.01%</b>
<b>REFINERY</b>										
National Refinery Limited	-	63,100	-	-	60,190	2,910	780	0.92%	0.94%	0.00%
Attock Refinery Limited	-	61,470	-	-	56,010	5,460	2,101	2.47%	2.54%	0.01%
	-	<b>124,570</b>	-	-	<b>116,200</b>	<b>8,370</b>	<b>2,881</b>	<b>3.39%</b>	<b>3.48%</b>	<b>0.01%</b>
<b>CEMENT</b>										
Cherat Cement Company Limited	18,700	51,700	-	-	70,400	-	-	-	-	-
D. G. Khan Cement Co. Limited	-	98,850	-	-	39,000	59,850	3,896	4.59%	4.70%	0.01%
Fauji Cement Company Ltd.	-	157,500	-	-	38,000	119,500	2,108	2.48%	2.55%	0.00%
Lucky Cement Limited	-	11,700	-	-	10,550	1,150	880	1.04%	1.06%	0.00%
Maple Leaf Cement Factory Limited	133,000	309,500	-	-	374,544	67,956	2,418	2.85%	2.92%	0.01%
Pioneer Cement Limited	-	133,660	-	-	108,160	25,500	3,257	3.83%	3.93%	0.01%
	<b>151,700</b>	<b>762,910</b>	-	-	<b>640,654</b>	<b>273,956</b>	<b>12,559</b>	<b>14.79%</b>	<b>15.16%</b>	<b>0.03%</b>
<b>TEXTILE COMPOSITE</b>										
Gul Ahmed Textile Mills Limited	-	30,000	-	-	30,000	-	-	-	-	-
	-	<b>30,000</b>	-	-	<b>30,000</b>	-	-	-	-	-



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 March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of net assets of the sub fund	Market value as a percentage investments of sub fund	Percentage of paid up capital of the investee company held
	(Number of shares)					(Rupees '000)		(%)		
<b>CHEMICALS</b>										
Ghani Glass Mills Limited	-	29,000	-	-	29,000	-	-	-	-	-
Ittehad Chemicals Limited	-	10,000	-	-	-	10,000	390	0.46%	0.47%	0.01%
	-	<b>39,000</b>	-	-	<b>29,000</b>	<b>10,000</b>	<b>390</b>	<b>0.46%</b>	<b>0.47%</b>	<b>0.01%</b>
<b>REFINERY</b>										
National Refinery Limited	-	63,100	-	-	60,190	2,910	780	0.92%	0.94%	0.00%
Attock Refinery Limited	-	61,470	-	-	56,010	5,460	2,101	2.47%	2.54%	0.01%
	-	<b>124,570</b>	-	-	<b>116,200</b>	<b>8,370</b>	<b>2,881</b>	<b>3.39%</b>	<b>3.48%</b>	<b>0.01%</b>
<b>CEMENT</b>										
Cherat Cement Company Limited	18,700	51,700	-	-	70,400	-	-	-	-	-
D. G. Khan Cement Co. Limited	-	98,850	-	-	39,000	59,850	3,896	4.59%	4.70%	0.01%
Fauji Cement Company Ltd.	-	157,500	-	-	38,000	119,500	2,108	2.48%	2.55%	0.00%
Lucky Cement Limited	-	11,700	-	-	10,550	1,150	880	1.04%	1.06%	0.00%
Maple Leaf Cement Factory Limited	133,000	309,500	-	-	374,544	67,956	2,418	2.85%	2.92%	0.01%
Pioneer Cement Limited	-	133,660	-	-	108,160	25,500	3,257	3.83%	3.93%	0.01%
	<b>151,700</b>	<b>762,910</b>	-	-	<b>640,654</b>	<b>273,956</b>	<b>12,559</b>	<b>14.79%</b>	<b>15.16%</b>	<b>0.03%</b>
<b>TEXTILE COMPOSITE</b>										
Gul Ahmed Textile Mills Limited	-	30,000	-	-	30,000	-	-	-	-	-
	-	<b>30,000</b>	-	-	<b>30,000</b>	-	-	-	-	-
<b>INSURANCE</b>										
Adamjee Insurance Company Limited	-	9,500	-	-	9,500	-	-	-	-	-
	-	<b>9,500</b>	-	-	<b>9,500</b>	-	-	-	-	-
<b>FOOD AND PERSONAL CARE PRODUCTS</b>										
Unity Foods Limited	-	84,500	-	-	84,500	-	-	-	-	-
Murree Brewery Company Limited	-	6,500	-	-	1,000	5,500	1,988	2.34%	2.40%	0.02%
	-	<b>91,000</b>	-	-	<b>85,500</b>	<b>5,500</b>	<b>1,988</b>	<b>2.34%</b>	<b>2.40%</b>	<b>0.02%</b>
<b>ENGINEERING</b>										
International Steels Limited	-	141,100	-	-	128,400	12,700	833	0.98%	1.01%	0.00%
Mughal Iron and Steel Industries Limited - (5.1.3)	22,000	37,900	-	-	57,724	2,176	137	0.16%	0.17%	0.00%
Aisha Steel Mills Limited	-	47,000	-	-	-	47,000	317	0.37%	0.38%	0.02%
Amreli Steels Limited	-	4,000	-	-	-	4,000	86	0.10%	0.10%	0.00%
	<b>22,000</b>	<b>230,000</b>	-	-	<b>186,124</b>	<b>65,876</b>	<b>1,373</b>	<b>1.61%</b>	<b>1.66%</b>	<b>0.02%</b>
<b>TECHNOLOGY AND COMMUNICATION</b>										
Air Link Communication Limited	-	24,500	-	-	24,500	-	-	-	-	-
Pakistan Telecommunication Company	-	28,000	-	-	28,000	-	-	-	-	-
Systems Limited	2,500	2,800	-	-	5,300	-	-	-	-	-
TPL Trakker Limited	358,000	-	-	-	30,500	327,500	2,057	2.42%	2.48%	0.17%
TRG Pakistan Limited	-	3,500	-	-	3,500	-	-	-	-	-
	<b>360,500</b>	<b>58,800</b>	-	-	<b>91,800</b>	<b>327,500</b>	<b>2,057</b>	<b>2.42%</b>	<b>2.48%</b>	<b>0.17%</b>
<b>POWER GENERATION AND DISTRIBUTION</b>										
Nishat Chunian Power Limited	-	269,000	-	-	269,000	-	-	-	-	-
Hub Power Company Limited	67,000	64,800	-	-	93,480	38,320	4,647	5.47%	5.61%	0.00%
K-Electric Limited	-	651,000	-	-	73,000	578,000	2,555	3.01%	3.09%	0.00%
Lalpir Power Limited	-	38,000	-	-	38,000	-	-	-	-	-
Nishat Power Limited	-	77,112	-	-	77,112	-	-	-	-	-
	<b>67,000</b>	<b>1,099,912</b>	-	-	<b>550,592</b>	<b>616,320</b>	<b>7,202</b>	<b>8.48%</b>	<b>8.70%</b>	<b>0.00%</b>
<b>COMMERCIAL BANKS</b>										
Askari Bank Limited	-	76,000	-	-	76,000	-	-	-	-	-
Bank Islami Pakistan Limited	319,500	113,000	-	-	397,500	35,000	726	0.85%	0.88%	0.00%
Faysal Bank Limited - (5.1.3)	840	100,000	-	-	100,000	840	29	0.03%	0.04%	0.00%
Habib Bank Limited (related party)	32,500	145,600	-	-	162,500	15,600	1,629	1.92%	1.97%	0.00%
MCB Bank Limited	-	126,870	-	-	122,300	4,570	929	1.09%	1.12%	0.00%
Meezan Bank Limited	-	79,000	-	-	68,769	10,231	2,186	2.57%	2.64%	0.00%
United Bank Limited - (5.1.2)	18,000	54,200	-	-	44,100	28,100	5,122	6.03%	6.19%	0.00%
Bank Alfalah Limited	-	25,000	-	-	12,000	13,000	681	0.80%	0.82%	0.00%
Habib Metropolitan Bank Limited	-	32,500	-	-	18,500	14,000	801	0.94%	0.97%	0.00%
Bank Al-Habib Limited	-	128,400	-	-	87,000	41,400	3,519	4.14%	4.25%	0.00%
	<b>370,840</b>	<b>880,570</b>	-	-	<b>1,088,669</b>	<b>162,741</b>	<b>15,622</b>	<b>18.37%</b>	<b>18.88%</b>	<b>0.00%</b>

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 March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of net assets of the sub fund	Market value as a percentage investments of sub fund	Percentage of paid up capital of the investee company held
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
Baluchistan Wheels Limited	-	20,000	-	-	2,000	18,000	2,970	3.50%	3.59%	0.13%
Panther Tyres Limited	-	43,500	-	-	39,000	4,500	173	0.20%	0.21%	0.00%
	-	<b>63,500</b>	-	-	<b>41,000</b>	<b>22,500</b>	<b>3,143</b>	<b>3.70%</b>	<b>3.80%</b>	<b>0.13%</b>
<b>LEATHER &amp; TANNERIES</b>										
Service Global Footwear Limited	-	10,000	-	-	10,000	-	-	-	-	-
	-	<b>10,000</b>	-	-	<b>10,000</b>	-	-	-	-	-
<b>PAPER &amp; BOARD</b>										
Century Paper and Board Mills Limited	-	67,000	-	-	53,500	13,500	388	0.46%	0.47%	0.00%
	-	<b>67,000</b>	-	-	<b>53,500</b>	<b>13,500</b>	<b>388</b>	<b>0.46%</b>	<b>0.47%</b>	<b>0.00%</b>
<b>MISCELLANEOUS</b>										
Pak Aluminium Beverage Cans Limited	-	19,000	-	-	19,000	-	-	-	-	-
TPL Properties Limited	-	7,000	-	-	7,000	-	-	-	-	-
Pakistan Hotels Developers Limited	-	1,000	-	-	1,000	-	-	-	-	-
	-	<b>27,000</b>	-	-	<b>27,000</b>	-	-	-	-	-
Total as at March 31, 2024	<b>1,318,488</b>	<b>4,452,526</b>	-	-	<b>3,951,096</b>	<b>1,819,918</b>	<b>82,809</b>	<b>97.46%</b>	<b>100.00%</b>	
Carrying Value as at March 31, 2024							<b>72,763</b>			
Total as at June 30, 2023	<b>2,242,920</b>	<b>4,940,634</b>	<b>141</b>	-	<b>5,865,207</b>	<b>1,318,488</b>	<b>52,645</b>			

5.1.1 \* The above investments include shares with market value aggregating to Rs. 17.764 million (June 2023: Rs. 9.876 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.

5.1.2 \*\* Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, have filed a petition in the Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 57(3)(viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement amounting Rs. 0.179 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.

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

### Held by Debt Sub-Fund

Issue date	Face value			As at March 31, 2024	Carrying Value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage	
	As at July 1, 2023	Purchases during the period	Sales / matured during the period				Total investments of	Net assets of sub-fund
	(Rupees in '000)						%	
<b>5.2.1 Market Treasury Bills</b>								
Treasury Bill - 3 months	15-Jun-23	14,000	-	14,000	-	-	-	-
Treasury Bill - 12 months	16-Nov-23	-	250,000	250,000	-	-	-	#
Treasury Bill - 6 months	16-Nov-23	-	100,000	100,000	-	-	-	-
Treasury Bill - 3 months	16-Nov-23	-	100,000	100,000	-	-	-	-
Treasury Bill - 3 months	19-Oct-23	-	100,000	100,000	-	-	-	-
Treasury Bill - 12 months	19-Oct-23	-	50,000	50,000	-	-	-	-
Treasury Bill - 6 months	19-Oct-23	-	100,000	100,000	-	-	-	-
Treasury Bill - 3 months	21-Sep-22	-	139,000	139,000	-	-	-	-
Treasury Bill - 12 months	30-Nov-22	-	150,000	150,000	-	-	-	-
Treasury Bill - 6 months	30-Nov-22	-	150,000	150,000	-	-	-	-
Treasury Bill - 12 months	11-Jan-24	-	100,000	100,000	-	-	-	-
Treasury Bill - 12 months	13-Jul-23	-	115,000	115,000	-	-	-	-
<b>Total as at March 31, 2024</b>		<b>14,000</b>	<b>1,354,000</b>	<b>1,368,000</b>	-	-	-	-
Total As at June 30, 2023		-	1,756,100	1,742,100	14,000	13,455	13,436	

5.2.2		Pakistan Investment Bonds								
Pakistan Investment Bonds - 2 Years	06-Apr-23	-	200,000	200,000	-	-	-	-	-	-
Pakistan Investment Bonds - 3 Years	04-Jul-23	-	225,000	225,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	13-Oct-23	-	75,000	-	75,000	63,557	63,288	17.08%	11.84%	
Pakistan Investment Bonds - 3 Years	19-Oct-23	-	170,000	170,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 Years	19-Oct-23	-	450,000	450,000	-	-	-	-	-	-
Pakistan Investment Bonds - 3 Years	15-Feb-24	-	150,000	6,000	144,000	135,046	135,014	36.45%	25.25%	
Pakistan Investment Bonds - 5 Years	17-Jan-24	-	100,000	-	100,000	94,928	94,308	25.46%	17.64%	
<b>Total as at March 31, 2024</b>		<b>-</b>	<b>1,370,000</b>	<b>1,051,000</b>	<b>319,000</b>	<b>293,531</b>	<b>292,610</b>	<b>78.99%</b>	<b>54.73%</b>	
Total As at June 30, 2023		-	1,325,000	1,325,000	-	-	-	-	-	-

5.2.3		GOP Ijara Sukuk Certificates								
GOP Ijarah Sukuk 1 Year	22-May-23	155,500	-	155,500	-	-	-	-	-	-
GOP Ijarah Sukuk 1 Year	17-Apr-23	-	185,000	185,000	-	-	-	-	-	-
<b>Total as at March 31, 2024</b>		<b>155,500</b>	<b>185,000</b>	<b>340,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total As at June 30, 2023		-	420,000	264,500	155,500	155,500	155,605	-	-	-

#### Held by Money Market Sub-Fund

Issue date	Face value			As at March 31, 2024	Carrying Value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage		
	As at July 1, 2023	Purchases during the period	Sales / matured during the				Total investments of	Net assets of sub-fund	
							-----%-----		
							-----%-----		
							-----%-----		
5.2.1 Market Treasury Bills									
Treasury Bill - 6 months	27-Mar-23	-	526,000	526,000	-	-	-	-	-
Treasury Bill - 3 months	20-Apr-23	-	13,000	13,000	-	-	-	-	-
Treasury Bill - 3 months	04-May-23	-	21,000	21,000	-	-	-	-	-
Treasury Bill - 3 months	01-Jun-23	-	76,500	76,500	-	-	-	-	-
Treasury Bill - 3 months	15-Jun-23	345,000	77,000	422,000	-	-	-	-	-
Treasury Bill - 3 months	22-Jun-23	-	1,192,000	1,192,000	-	-	-	-	-
Treasury Bill - 3 months	10-Aug-23	-	66,200	66,200	-	-	-	-	-
Treasury Bill - 3 months	07-Sep-23	-	498,000	498,000	-	-	-	-	-
Treasury Bill - 3 months	21-Sep-23	-	405,500	405,500	-	-	-	-	-
Treasury Bill - 3 months	05-Oct-23	-	9,000	9,000	-	-	-	-	-
Treasury Bill - 6 months	19-Oct-23	-	150,000	150,000	-	-	-	-	-
Treasury Bill - 6 months	16-Nov-23	-	250,000	250,000	-	-	-	-	-
Treasury Bill - 6 months	30-Nov-23	-	200,000	200,000	-	-	-	-	-
Treasury Bill - 3 months	11-Jan-24	-	125,000	125,000	-	-	-	-	-
Treasury Bill - 12 months	13-Jul-23	-	510,000	100,000	410,000	387,851	386,733	46.26%	40.60%
Treasury Bill - 12 months	15-Jun-23	-	375,000	-	375,000	359,291	359,298	42.97%	37.72%
Treasury Bill - 6 months	02-Nov-23	-	8,500	8,500	-	-	-	-	-
Treasury Bill - 3 months	28-Dec-23	-	740,000	740,000	-	-	-	-	-
Treasury Bill - 3 months	07-Mar-24	-	390,000	390,000	-	-	-	-	-
<b>Total as at March 31, 2024</b>		<b>345,000</b>	<b>5,632,700</b>	<b>5,192,700</b>	<b>785,000</b>	<b>747,142</b>	<b>746,031</b>	<b>89.23%</b>	<b>78.32%</b>
Total As at June 30, 2023		-	11,304,680	10,959,680	345,000	331,543	331,094	-	-
5.2.2 Pakistan Investment Bonds									
Pakistan Investment Bonds - 2 Years	26-Aug-21	235,000	-	235,000	-	-	-	-	-
Pakistan Investment Bonds - 3 Years	30-Dec-21	-	540,000	540,000	-	-	-	-	-
Pakistan Investment Bonds - 10 Years	17-Jul-14	-	1,282,700	1,282,700	-	-	-	-	-
<b>Total as at March 31, 2024</b>		<b>235,000</b>	<b>1,822,700</b>	<b>2,057,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total As at June 30, 2023		-	684,100	449,100	235,000	234,321	234,436	-	-

### 5.3 Term Finance Certificates and Sukuk Bonds - at fair value through profit or loss

#### Held by Debt Sub-Fund

Name of the Investee Company	Issue date	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at March 31, 2024	Carrying Value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of	
		----- (Number of certificates) -----			----- (Rupees in '000) -----		Total Investments	Net Assets	----- % -----
<b>Commercial Banks</b>									
Askari Bank Limited	17-Mar-20	-	30	-	30	28,650	29,850	8.06%	5.58%
Bank Alfalah Limited	15-Jan-21	2,400	-	2,400	-	-	-	-	-
Soneri Bank Limited	26-Dec-22	200	-	-	200	19,585	19,988	5.40%	3.74%
		<b>2,600</b>	<b>30</b>	<b>2,400</b>	<b>230</b>	<b>48,235</b>	<b>49,838</b>	<b>13.46%</b>	<b>9.32%</b>
<b>Multitiilities</b>									
Lucky Electric Power Company Limited - 130623	13-Jun-23	35	-	35	-	-	-	-	-
K-Electric Limited - 090223	09-Feb-23	3	-	3	-	-	-	-	-
Lucky Electric Power Company Limited - 260324	26-Mar-24	-	25	-	25	25,000	25,000	6.75%	4.68%
		<b>38</b>	<b>25</b>	<b>38</b>	<b>25</b>	<b>25,000</b>	<b>25,000</b>	<b>6.75%</b>	<b>4.68%</b>
<b>Miscellaneous</b>									
OBS AGP Limited	15-Jul-21	20	-	-	20	1,253	1,259	0.34%	0.24%
TPL Trakker Limited	30-Mar-21	4	-	-	4	1,772	1,741	0.47%	0.33%
Jahangir Siddiqui and Company Limited	06-Mar-18	2,000	-	2,000	-	-	-	-	-
		<b>2,024</b>	<b>-</b>	<b>2,000</b>	<b>24</b>	<b>3,025</b>	<b>3,000</b>	<b>0.81%</b>	<b>0.57%</b>
<b>Total as at March 31, 2024</b>		<b>4,662</b>	<b>55</b>	<b>4,438</b>	<b>279</b>	<b>76,260</b>	<b>77,838</b>	<b>21.01%</b>	<b>14.57%</b>
Total As at June 30, 2023		4,546	298	182	4,662	74,867	74,670		

#### Held by Money Market Sub-Fund

Name of the Investee Company	Maturity Date	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at March 31, 2024	Carrying Value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of	
		----- (Number of certificates) -----			----- (Rupees in '000) -----		Total Investments	Net Assets	----- % -----
<b>Multitiilities</b>									
K-Electric Limited 090223	09-Feb-23	10	-	10	-	-	-	-	-
K-Electric Limited 180523	18-May-23	18	-	18	-	-	-	-	-
China Power Hub Generation Company - 280323	28-Mar-23	35	-	35	-	-	-	-	-
Lucky Electric Power Company Limited - 130623	13-Jun-23	30	-	30	-	-	-	-	-
Lucky Electric Power Company Limited - 150823	15-Aug-23	-	34	34	-	-	-	-	-
Lucky Electric Power Company Limited - 260324	26-Mar-24	-	90	-	90	90,000	90,000	10.77%	9.45%
		<b>93</b>	<b>124</b>	<b>127</b>	<b>90</b>	<b>90,000</b>	<b>90,000</b>	<b>10.77%</b>	<b>9.45%</b>
Total As at June 30, 2023		25	185	117	93	93,000	93,000		

### 5.4 Letter of placement - at amortized cost

#### Held by Money Market Sub-Fund

Name of the Investee Company	Maturity Date	As at July 1, 2023	Purchases during the period	Sales / Matured during the period	As at March 31, 2024	Carrying Value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of	
		----- (Number of certificates) -----			----- (Rupees in '000) -----		Total Investments	Net Assets	----- % -----
Pak brunei investment company limited	15-Sep-23	-	60,000	60,000	-	-	-	-	-
		<b>-</b>	<b>60,000</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 6 DIVIDEND AND PROFIT RECEIVABLE

	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Dividend receivable	2,001	-	-	2,001	7	-	-	7
Profit receivable on bank deposits	38	2,173	2,551	4,762	48	1,899	2,569	4,516
Profit accrued on investments	-	11,288	540	11,828	-	5,211	8,798	14,009
	<b>2,039</b>	<b>13,461</b>	<b>3,091</b>	<b>18,591</b>	<b>55</b>	<b>7,110</b>	<b>11,367</b>	<b>18,532</b>

### 7 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
- Security Deposit with Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
NCCPL Deposit	2,500	-	-	2,500	2,500	-	-	2,500
- Receivable against Sale of Equity Securities	4,015	-	-	4,015	110	-	-	110
- Others	82	719	116	917	102	696	129	927
	<b>6,697</b>	<b>819</b>	<b>216</b>	<b>1,217</b>	<b>2,812</b>	<b>796</b>	<b>229</b>	<b>3,837</b>

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

Note	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Management fee	75	406	713	1,194	69	324	607	1,000
Sindh Sales Tax	10	53	93	156	9	42	79	130
NAV related Expenses	-	113	198	311	-	119	221	340
Other payable	2,500	-	-	2,500	-	-	-	-
	<b>2,585</b>	<b>572</b>	<b>1,004</b>	<b>4,161</b>	<b>78</b>	<b>485</b>	<b>907</b>	<b>1,470</b>

**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% on the remuneration of the Management Company through Sindh Sales Tax Act, 2011 effective from July 01, 2017.

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

Note	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Trustee remuneration	14	81	143	238	10	48	88	146
Sindh Sales Tax on Trustee remuneration 9.1	2	11	19	32	1	6	11	18
	<b>16</b>	<b>92</b>	<b>162</b>	<b>270</b>	<b>11</b>	<b>54</b>	<b>99</b>	<b>164</b>

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

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

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to 0.04% of average annual net asset value of the pension fund.

**11. ACCRUED EXPENSES AND OTHER LIABILITIES**

Note	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Auditors' remuneration	50	92	37	179	24	104	173	301
Payable against redemption of units	8,286	-	1,244	9,530	51	667	1,340	2,058
Federal Excise Duty	763	878	836	2,477	763	878	836	2,477
Payable to National Clearing Company of Pakistan	98	-	-	98	39	-	-	39
Other payable	55	45	83	183	16	1	-	17
	<b>9,252</b>	<b>1,015</b>	<b>2,200</b>	<b>12,467</b>	<b>893</b>	<b>1,650</b>	<b>2,349</b>	<b>4,892</b>

**11.1** 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 the view of the above, the Pension Fund Manager has made a provision with effect from 13 June 2013, aggregating to Rs. 0.763 million, 0.878 million and 0.836 million (June 30, 2023: Rs. 0.763 million, Rs. 0.878 million and Rs. 0.836 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at March 31, 2024 would have been higher by Rs. 4.1195, Rs.0.5354 and Rs.0.2476 (June 30, 2023: Rs. 4.01, Rs. 0.64 and Rs. 0.29) per unit respectively.



14	NUMBER OF UNITS IN ISSUE	March 31, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Number) -----									
	Opening units in issue	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	44,458	492,261	907,153	1,443,872	63,028	597,480	1,798,100	2,458,608
	Units redeemed during the period	(46,624)	(228,207)	(418,479)	(693,310)	(232,653)	(446,149)	(994,059)	(1,672,861)
	Reallocation during the period	(2,880)	13,684	(10,136)	668	(66,940)	(36,670)	136,558	32,948
	<b>Total units in issue at the end of the period</b>	<b>185,215</b>	<b>1,639,940</b>	<b>3,376,797</b>	<b>5,201,952</b>	<b>190,261</b>	<b>1,362,202</b>	<b>2,898,259</b>	<b>4,450,722</b>

## 15. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

15.1	Transactions during the period	Nine Months ended March 31, 2024				Nine Months ended March 31, 2023			
		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 including sales tax	817	3,717	6,877	11,411	1,029	1,753	1,893	4,675
	Allocation of fees and expenses	-	851	1,534	2,385	-	-	-	-
	<b>Habib Bank Limited - Sponsor</b>								
	Bank charges	45	69	65	179	17	20	17	54
	Profit on bank deposits earned	100	62	6,742	6,904	52	2,501	3,230	5,783
	Purchase of Pakistan Investment Bond	-	-	1,260,972	1,260,972	-	-	-	-
	Sale of Pakistan Investment Bond	-	-	1,261,204	1,261,204	-	-	-	-
	Purchase of T-Bills	-	-	619,616	619,616	-	-	-	-
	Sale of T-Bills	-	203,073	863,808	1,066,881	-	-	-	-
	<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
	<b>Directors and their relatives</b>								
	Issuance of units	-	-	19,530	19,530	-	-	-	-
	Amount of units issued	-	-	4,915	4,915	-	-	-	-
	Redemption of Units Issued	387	603	706	1,696	-	-	-	-
	Amount of units redeemed	656	635	117	1,408	-	-	-	-
	<b>Executives and their relatives</b>								
	Issuance of units	-	-	42,523	42,523	-	-	13,832	13,832
	Amount of units issued	-	-	307,864	307,864	-	-	300,000	300,000
	Redemption of units issued	-	-	367	367	337	367	367	1,071
	Amount of units redeemed	-	-	148	148	634	572	79	1,285
	<b>Central Depository Company of Pakistan Limited - Trustee</b>								
	Remuneration	78	481	885	1,444	93	366	583	1,042
	Central Depository System charges	14	5	5	24	18	4	4	26
	<b>CDC Trustee HBL Islamic Income Fund - Under Common Management</b>								
	Sale of GOP Ijarah Sukuk	-	73,391	-	73,391	-	-	-	-
	<b>CDC Trustee HBL Money Market Fund - Under Common Management</b>								
	Sale of T Bills	-	-	72,573	72,573	-	-	-	-
	<b>CDC Trustee HBL Government Securities Fund - Under Common Management</b>								
	Sale of Pakistan Investment Bond	-	157,877	-	157,877	-	-	-	-
	Sale of T Bills	-	123,830	-	123,830	-	-	-	-
	<b>CDC Trustee HBL Financial Sector Income Fund Plan I - Under Common Management</b>								
	Sale of Pakistan Investment Bond	-	67,887	-	67,887	-	-	-	-
	<b>CDC Trustee HBL Cash Fund - Under Common Management</b>								
	Sale of T Bills	-	135,664	150,045	285,709	-	-	-	-

15.2	Balances outstanding as at period end	March 31, 2024				June 30, 2023			
		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	75	406	713	1,194	69	324	607	1,000
	Sindh Sales Tax payable	10	53	93	156	9	42	79	130
	NAV related Expenses	-	113	198	311	-	119	221	340
	Other payable	2,500	-	-	2,500	-	-	-	-
	<b>Habib Bank Limited - Sponsor</b>								
	Bank balances	4,993	20,055	116,131	141,179	1,129	17,060	21,595	39,784
	<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
	<b>Directors and their relatives</b>								
	Units held	18,543	50,921	38,553	108,017	18,930	51,524	19,729	90,183
	Amount of units held	8,506	16,603	10,877	35,986	5,708	14,358	4,795	24,861
	<b>Executives and their relatives</b>								
	Units held	-	-	102,848	102,848	-	-	60,692	60,692
	Amount of units held	-	-	29,015	29,015	-	-	14,752	14,752
	<b>Central Depository Company of Pakistan Limited - Trustee</b>								
	Remuneration payable	16	92	162	270	11	54	99	164
	Security Deposit receivable	100	100	100	300	100	100	100	300
	<b>Directors of Connected Persons</b>								
	Units held	1,727	1,514	138,659	141,900	1,727	1,514	138,659	141,900
	Amount of units held	792	494	39,118	40,404	521	422	33,702	34,645

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

Held by Equity sub-fund									
March 31, 2024									
Carrying Amount					Fair Value				
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
- Listed equity securities	82,809	-	-	82,809	82,809	-	-	82,809	
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	5,296	5,296					
- Dividend receivable and accrued mark-up	-	-	2,039	2,039					
- Advances, deposits, prepayments and other receivables	-	-	6,697	6,697					
	-	-	14,032	14,032					
	82,809	-	14,032	96,841					
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	2,585	2,585					
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	16	16					
- Accrued expenses and other liabilities	-	-	8,489	8,489					
	-	-	11,090	11,090					
Held by Equity sub-fund									
June 30, 2023									
Carrying Amount					Fair Value				
Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
- Listed equity securities	52,645	-	-	52,645	52,645	-	-	52,645	
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	2,864	2,864					
- Dividend receivable and accrued mark-up	-	-	55	55					
- Advances, deposits, prepayments and other receivables	-	-	2,812	2,812					
	-	-	5,731	5,731					
	52,645	-	5,731	58,376					
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	78	78					
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	11	11					
- Accrued expenses and other liabilities	-	-	130	130					
	-	-	219	219					
Held by Debt sub-fund									
March 31, 2024									
Carrying Amount					Fair Value				
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
- Government securities	-	-	-	-	-	-	-	-	
Treasury Bills	-	-	-	-	-	-	-	-	
Pakistan Investment Bonds	292,610	-	-	292,610	-	292,610	-	292,610	
Term finance Certificate & Sukuk Bonds	77,838	-	-	77,838	-	77,838	-	77,838	
	370,448	-	-	370,448					
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	151,806	151,806					
- Dividend receivable and accrued mark-up	-	-	13,461	13,461					
- Advances, deposits, prepayments and other receivables	-	-	819	819					
	-	-	166,086	166,086					
	370,448	-	166,086	536,534					
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	572	572					
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	92	92					
- Accrued expenses and other liabilities	-	-	137	137					
	-	-	801	801					
Held by Debt sub-fund									
June 30, 2023									
Carrying Amount					Fair Value				
Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)									
<b>On-balance sheet financial instruments</b>									
<b>Financial assets measured at fair value</b>									
- Government securities	-	-	-	-	-	-	-	-	
Treasury Bills	13,436	-	-	13,436	-	13,436	-	13,436	
Pakistan Investment Bonds	-	-	-	-	-	-	-	-	
GOP Ijarah Sukuk	155,605	-	-	155,605	-	155,605	-	155,605	
Term finance Certificate & Sukuk Bonds	74,670	-	-	74,670	-	74,670	-	74,670	
	243,711	-	-	243,711					
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	130,298	130,298					
- Dividend receivable and accrued mark-up	-	-	7,110	7,110					
- Advances, deposits, prepayments and other receivables	-	-	796	796					
- Commercial papers	-	-	-	-					
	-	-	138,204	138,204					
	243,711	-	138,204	381,915					
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	485	485					
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	54	54					
- Accrued expenses and other liabilities	-	-	772	772					
	-	-	1,311	1,311					

On-balance sheet financial instruments	Held by Money Market sub-fund								
	Carrying Amount					Fair Value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
- Government securities									
Treasury Bills	746,031	-	-	-	746,031	-	746,031	-	746,031
Pakistan Investment Bonds	-	-	-	-	-	-	-	-	-
Term finance Certificate & Sukuk Bonds	90,000	-	-	-	90,000	-	90,000	-	90,000
	<b>836,031</b>	-	-	-	<b>836,031</b>				
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	-	116,936	116,936				
- Dividend receivable and accrued mark-up	-	-	-	3,091	3,091				
- Advances, deposits, prepayments and other receivables	-	-	-	216	216				
	-	-	-	<b>120,243</b>	<b>120,243</b>				
	<b>836,031</b>	-	-	<b>120,243</b>	<b>956,274</b>				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	1,004	1,004				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	162	162				
- Accrued expenses and other liabilities	-	-	-	1,364	1,364				
	-	-	-	<b>2,530</b>	<b>2,530</b>				
(Rupees in '000)									
Held by Money Market sub-fund									
June 30, 2023									
On-balance sheet financial instruments	Carrying Amount				Fair Value				
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
- Government securities									
Treasury Bills	331,094	-	-	-	331,094	-	331,094	-	331,094
Pakistan Investment Bonds	234,436	-	-	-	234,436	-	234,436	-	234,436
Term finance Certificate & Sukuk Bonds	93,000	-	-	-	93,000	-	93,000	-	93,000
	<b>658,530</b>	-	-	-	<b>658,530</b>				
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	37,880	-	37,880				
- Dividend receivable and accrued mark-up	-	-	11,367	-	11,367				
- Commercial papers	-	-	-	-	-				
- Advances, deposits, prepayments and other receivables	-	-	229	-	229				
	-	-	<b>49,476</b>	-	<b>49,476</b>				
	<b>658,530</b>	-	<b>49,476</b>	-	<b>708,006</b>				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	907	907				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	99	99				
- Accrued expenses and other liabilities	-	-	-	1,513	1,513				
	-	-	-	<b>2,519</b>	<b>2,519</b>				

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

## 17. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the nine months period ended March 31, 2024 is 4.03%, 1.63% and 1.60% (June 30, 2023: 4.33%, 1.29% and 1.12%) respectively which includes 0.41%, 0.21% and 0.21% (June 30, 2023: 0.45%, 0.18% and 0.16%) respectively representing Government levy and SECP fee.

## 18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

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**19. DATE OF AUTHORIZATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on April 26, 2024.

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	HBL 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 Summit Bank Limited Allied Bank Limited Habib Metropolitan Bank Limited

# HBL Islamic Pension Fund

## Condensed Interim Statement of Assets and Liabilities

As at March 31, 2024

	Note	March 31, 2024 (Un-Audited)				June 30, 2023 (Audited)			
		Equity	Debt	Money	Total	Equity	Debt	Money	Total
		Sub-Fund	Sub-Fund	Market Sub-Fund		Sub-Fund	Sub-Fund	Market Sub-Fund	
----- (Rupees) -----									
<b>Assets</b>									
Bank balances	4	15,557	105,982	78,562	200,101	5,752	115,934	93,778	215,464
Investments	5	111,523	184,635	326,545	622,703	75,967	142,486	191,097	409,550
Dividend and profit receivable	6	1,801	22,484	32,034	56,319	149	8,429	10,186	18,764
Advances, deposits, prepayments and other receivables	7	2,735	350	454	3,539	5,292	350	454	6,096
<b>Total assets</b>		<b>131,616</b>	<b>313,451</b>	<b>437,595</b>	<b>882,662</b>	<b>87,160</b>	<b>267,199</b>	<b>295,515</b>	<b>649,874</b>
<b>Liabilities</b>									
Payable to Pension Fund Manager	8	2,608	214	297	3,119	110	308	351	769
Payable to Central Depository Company of Pakistan Limited - Trustee	9	19	52	67	138	14	35	38	87
Payable to Securities and Exchange Commission of Pakistan	10	30	90	109	229	34	67	61	162
Accrued expenses and other liabilities	11	16,199	2,561	1,430	20,190	1,442	2,802	3,295	7,539
<b>Total liabilities</b>		<b>18,856</b>	<b>2,917</b>	<b>1,903</b>	<b>23,676</b>	<b>1,600</b>	<b>3,212</b>	<b>3,745</b>	<b>8,557</b>
<b>Net assets</b>		<b>112,760</b>	<b>310,534</b>	<b>435,692</b>	<b>858,986</b>	<b>85,560</b>	<b>263,987</b>	<b>291,770</b>	<b>641,317</b>
<b>Participants' sub funds (as per statement attached)</b>		<b>112,760</b>	<b>310,534</b>	<b>435,692</b>	<b>858,986</b>	<b>85,560</b>	<b>263,987</b>	<b>291,770</b>	<b>641,317</b>
<b>Number of units in issue</b>	12	<b>229,778</b>	<b>1,213,663</b>	<b>1,750,504</b>	<b>3,193,945</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>490.7369</b>	<b>255.8654</b>	<b>248.8953</b>		<b>325.4694</b>	<b>219.5149</b>	<b>213.3260</b>	

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Islamic Pension Fund**  
**Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)**  
**For the Nine months period ended March 31, 2024**

Note	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>Income</b>								
Dividend income	4,696	-	-	4,696	4,758	-	-	4,758
Profit on bank balances	3	14,102	13,416	27,521	223	10,423	11,286	21,932
Mark-up / return on investments	-	30,821	41,853	72,674	-	7,360	3,499	10,859
Gain / (Loss) on sale of investments - net	22,194	1,618	2,839	26,651	(23,025)	(137)	(57)	(23,219)
Unrealized appreciation on re-measurement of investments at fair value through profit or loss	13,668	1,273	999	15,940	14,684	868	462	16,014
<b>Total Income / (loss)</b>	<b>40,561</b>	<b>47,814</b>	<b>59,107</b>	<b>147,482</b>	<b>(3,360)</b>	<b>18,514</b>	<b>15,190</b>	<b>30,344</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,071	1,677	2,047	4,795	1,228	927	535	2,690
Remuneration of Central Depository Company of Pakistan Limited - Trustee	124	377	465	966	113	193	165	471
Annual fee to Securities and Exchange Commission of Pakistan	30	90	109	229	27	46	39	112
Allocation of fees and expenses	-	540	659	1,199	-	-	-	-
Auditors' remuneration	49	127	128	304	105	107	110	322
Settlement and bank charges	1,090	51	11	1,152	830	27	30	887
Other expenses	396	114	109	619	428	14	13	455
<b>Total Expenses</b>	<b>2,760</b>	<b>2,976</b>	<b>3,528</b>	<b>9,264</b>	<b>2,731</b>	<b>1,314</b>	<b>892</b>	<b>4,937</b>
<b>Net income / (loss) before taxation</b>	<b>37,801</b>	<b>44,838</b>	<b>55,579</b>	<b>138,218</b>	<b>(6,091)</b>	<b>17,200</b>	<b>14,298</b>	<b>25,407</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period</b>	<b>37,801</b>	<b>44,838</b>	<b>55,579</b>	<b>138,218</b>	<b>(6,091)</b>	<b>17,200</b>	<b>14,298</b>	<b>25,407</b>
<b>Other comprehensive income</b>								
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>37,801</b>	<b>44,838</b>	<b>55,579</b>	<b>138,218</b>	<b>(6,091)</b>	<b>17,200</b>	<b>14,298</b>	<b>25,407</b>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Islamic Pension Fund**  
**Condensed Interim Income Statement and Statement of Comprehensive Income (Un-Audited)**  
**For the Quarter ended March 31, 2024**

	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>Income</b>								
Dividend income	1,701	-	-	1,701	1,244	-	-	1,244
Profit on bank balances	1	4,555	4,085	8,641	2	4,550	4,681	9,233
Mark-up / return on investments	-	10,311	15,591	25,902	-	3,171	1,401	4,572
Gain / (Loss) on sale of investments - net	11,243	115	152	11,510	(21,909)	(188)	(105)	(22,202)
Unrealized appreciation on re-measurement of investments at fair value through profit or loss	(11,834)	(1,610)	(2,274)	(15,718)	20,513	1,110	561	22,184
<b>Total Income / (loss)</b>	<b>1,111</b>	<b>13,371</b>	<b>17,554</b>	<b>32,036</b>	<b>(150)</b>	<b>8,643</b>	<b>6,538</b>	<b>15,031</b>
<b>Expenses</b>								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	285	466	629	1,380	288	394	215	897
Remuneration of Central Depository Company of Pakistan Limited - Trustee	48	135	172	355	29	82	67	178
Annual fee to Securities and Exchange Commission of Pakistan	11	32	41	84	7	20	16	43
Allocation of fees and expenses	-	151	203	354	-	-	-	-
Auditors' remuneration	22	45	45	112	13	36	36	85
Settlement and bank charges	159	40	-	199	382	7	8	397
Other expense	149	66	64	279	77	-	-	77
<b>Total Expenses</b>	<b>674</b>	<b>935</b>	<b>1,154</b>	<b>2,763</b>	<b>796</b>	<b>539</b>	<b>342</b>	<b>1,677</b>
<b>Net income / (loss) before taxation</b>	<b>437</b>	<b>12,436</b>	<b>16,400</b>	<b>29,273</b>	<b>(946)</b>	<b>8,104</b>	<b>6,196</b>	<b>13,354</b>
Taxation	-	-	-	-	-	-	-	-
<b>Net income / (loss) for the period</b>	<b>437</b>	<b>12,436</b>	<b>16,400</b>	<b>29,273</b>	<b>(946)</b>	<b>8,104</b>	<b>6,196</b>	<b>13,354</b>
<b>Other comprehensive income</b>								
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>437</b>	<b>12,436</b>	<b>16,400</b>	<b>29,273</b>	<b>(946)</b>	<b>8,104</b>	<b>6,196</b>	<b>13,354</b>

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

# HBL Islamic Pension Fund

## Condensed Interim Statement Of Movement In Participants' Sub Funds (Un-audited)

For the Nine months period ended March 31, 2024

Note	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Net assets at beginning of the period	85,560	263,987	291,770	641,317	133,102	110,886	99,355	343,343
Issuance of units	90,050	143,873	201,442	435,365	13,581	113,055	114,298	240,934
Redemption of units	(100,651)	(142,164)	(113,099)	(355,914)	(70,073)	(35,694)	(34,333)	(140,100)
Reallocation among funds	-	-	-	-	-	-	-	-
	(10,601)	1,709	88,343	79,451	(56,492)	77,361	79,965	100,834
<b>Other comprehensive income</b>								
Net (loss) / income for the period	37,801	44,838	55,579	138,218	(6,091)	17,200	14,298	25,407
Net unrealised (loss) / gain on remeasurement of investments classified as available for sale	-	-	-	-	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>37,801</b>	<b>44,838</b>	<b>55,579</b>	<b>138,218</b>	<b>(6,091)</b>	<b>17,200</b>	<b>14,298</b>	<b>25,407</b>
<b>Net assets at end of the period</b>	<b>112,760</b>	<b>310,534</b>	<b>435,692</b>	<b>858,986</b>	<b>70,519</b>	<b>205,447</b>	<b>193,618</b>	<b>469,584</b>
Net assets value per unit at beginning of the period	325.4694	219.5149	213.3260		353.0630	187.3645	182.4250	
Net assets value per unit at end of the period	490.7369	255.8654	248.8953		325.4542	209.3566	203.2350	

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

**HBL Islamic Pension Fund**  
**Condensed Interim Cash Flow Statement (Un-audited)**  
*For the Nine months period ended March 31, 2024*

Note	2024				2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
Net (loss) / income for the period	37,801	44,838	55,579	138,218	(6,091)	17,200	14,298	25,407
<b>Adjustments</b>								
Unrealized (appreciation) / diminution on re-measurement of investments at fair value through profit or loss	(13,668)	(1,273)	(999)	(15,940)	(14,684)	(868)	(462)	(16,014)
	24,133	43,565	54,580	122,278	(20,775)	16,332	13,836	9,393
<b>Decrease / (increase) in assets</b>								
Investments - net	(21,888)	(40,876)	(134,449)	(197,213)	80,030	(120,067)	(52,250)	(92,287)
Dividend and profit receivable	(1,652)	(14,055)	(21,848)	(37,555)	(529)	(9,213)	(5,918)	(15,660)
Advances, deposits, prepayments and other receivables	2,557	-	-	2,557	54	(14)	(11)	29
	(20,983)	(54,931)	(156,297)	(232,211)	79,555	(129,294)	(58,179)	(107,918)
<b>(Decrease) / increase in liabilities</b>								
Payable to HBL Asset Management Limited - Pension Fund Manager	2,498	(94)	(54)	2,350	(273)	67	41	(165)
Payable to Central Depository Company of Pakistan Limited - Trustee	5	17	29	51	(12)	15	13	16
Payable to Securities and Exchange Commission of Pakistan	(4)	23	48	67	(17)	22	20	25
Accrued expenses and other liabilities	14,757	(241)	(1,865)	12,651	1,113	39	92	1,244
	17,256	(295)	(1,842)	15,119	811	143	166	1,120
Net cash (used in) / generated from operating activities	20,406	(11,661)	(103,559)	(94,814)	59,591	(112,819)	(44,177)	(97,405)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>								
Amount received on issue of units	90,050	143,873	201,442	435,365	13,581	113,055	114,298	240,934
Amount paid on redemption of units	(100,651)	(142,164)	(113,099)	(355,914)	(70,073)	(35,694)	(34,333)	(140,100)
Reallocation among funds	-	-	-	-	-	-	-	-
Net cash generated from / (used in) financing activities	(10,601)	1,709	88,343	79,451	(56,492)	77,361	79,965	100,834
Net (decrease) / increase in cash and cash equivalents	9,805	(9,952)	(15,216)	(15,363)	3,099	(35,458)	35,788	3,429
Cash and cash equivalents at beginning of the period	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	15,557	105,982	78,562	200,101	7,164	53,255	123,815	184,234

The annexed notes 1 to 17 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited  
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director



# HBL Islamic Pension Fund

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

*For the Nine months period ended March 31, 2024*

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### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

- The Equity Sub-Fund consists of a minimum 90% of net assets invested in Shariah compliant listed equity securities. Investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Remaining assets of the Equity Sub-Fund may be invested in any government security having less than one year time to maturity, or be deposited with Islamic commercial banks or Islamic window of a commercial bank having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the assets in the sub-fund shall be invested in debt securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating. In case the Shariah compliant securities issued by Federal Government are not available to comply with above, the assets of a Shariah compliant debt sub-fund may be deposited in Islamic commercial banks, having not less than "A+" rating or Islamic window of commercial banks, having not less than "AA" rating, or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government.
- The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by Federal Government and Islamic windows of commercial banks having 'A+' rating provided that deposits with one bank shall not exceed 20% of net assets of Money Market Sub-Fund. Investments in securities issued by Provincial Government, City Government, Government corporation with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be in proportion as defined in offering document.

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

JCR-VIS Credit Rating Agency has assigned management quality rating of 'AM1' to the Pension Fund Manager while the Fund is currently not rated.

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

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## **2. BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

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

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

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

**2.1.2** This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 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** This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

### **2.2 Basis of Measurement**

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

### **2.3 Functional and presentation currency**

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

## **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended 30 June 2023.

### **3.1. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2023.

### **3.2. USE OF ESTIMATES AND JUDGEMENTS**

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

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

### **3.3. FINANCIAL RISK MANAGEMENT**

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

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4.	BANK BALANCES	Note	March 31, 2024				June 30, 2023			
			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) -----										
			15,557	105,982	78,562	200,101	5,752	115,934	93,778	215,464
			<u>15,557</u>	<u>105,982</u>	<u>78,562</u>	<u>200,101</u>	<u>5,752</u>	<u>115,934</u>	<u>93,778</u>	<u>215,464</u>

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 5% to 21.50% per annum (June 30, 2023: 5.5% to 19.50% per annum).

#### 5. INVESTMENTS

		(Un-audited) March 31, 2023				Audited June 30, 2023				
		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	111,523	-	-	111,523	75,967	-	-	75,967	
Government securities - Ijarah sukuk	5.2	-	182,261	266,545	448,806	-	100,067	145,097	245,164	
Sukuk bonds	5.3	-	2,374	60,000	62,374	-	42,419	46,000	88,419	
		<u>111,523</u>	<u>184,635</u>	<u>326,545</u>	<u>622,703</u>	<u>75,967</u>	<u>142,486</u>	<u>191,097</u>	<u>409,550</u>	

#### 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 shares issued during the period	Right shares purchased / subscribed during the period	Sales during the period	As at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of net assets of the sub fund	Market value as a percentage of investments of sub fund	Percentage of paid up capital of the investee company held
<b>CHEMICALS</b>										
Ittehad Chemicals Limited	-	22,500	-	-	1,000	21,500	839	0.74%	0.75%	0.02%
	-	<u>22,500</u>	-	-	<u>1,000</u>	<u>21,500</u>	<u>839</u>	<u>0.74%</u>	<u>0.75%</u>	<u>0.02%</u>
<b>CEMENT</b>										
Kohat Cement Limited	-	21,000	-	-	21,000	-	-	-	-	-
Lucky Cement Limited	13,750	25,920	-	-	39,490	180	138	0.12%	0.12%	0.00%
D.G. Khan Cement Company Limited	79,905	211,700	-	-	237,105	54,500	3,547	3.15%	3.18%	0.01%
Cherat Cement Company Limited	23,500	40,627	-	-	64,127	-	-	-	-	-
Pioneer Cement Limited	-	59,300	-	-	26,500	32,800	4,190	3.72%	3.76%	0.01%
Fauji Cement Company Limited	275,000	263,500	-	-	382,500	156,000	2,752	2.44%	2.47%	0.01%
Maple Leaf Cement Factory Limited	175,000	393,000	-	-	466,510	101,490	3,611	3.20%	3.24%	0.01%
	<u>567,155</u>	<u>1,015,047</u>	-	-	<u>1,237,232</u>	<u>344,970</u>	<u>14,238</u>	<u>12.63%</u>	<u>12.77%</u>	<u>0.04%</u>
<b>PHARMACEUTICALS</b>										
Ferozsons Laboratories Limited	-	11,500	-	-	-	11,500	2,524	2.24%	2.26%	0.00%
Abbot Laboratories (Pakistan) Ltd	-	2,800	-	-	-	2,800	1,341	1.19%	1.20%	0.00%
Highnoon Laboratories Limited	6,095	7,000	-	-	10,700	2,395	1,220	1.08%	1.09%	0.00%
AGP Limited	-	24,150	-	-	16,125	8,025	595	0.53%	0.53%	0.00%
Citi Pharma Limited	-	82,000	-	-	82,000	-	-	-	-	-
Searle Pakistan Limited**	457	58,600	-	-	7,499	51,558	2,696	2.39%	2.42%	0.01%
	<u>6,552</u>	<u>186,050</u>	-	-	<u>116,324</u>	<u>76,278</u>	<u>8,376</u>	<u>7.43%</u>	<u>7.50%</u>	<u>0.01%</u>

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 March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of net assets of the sub fund	Market value as a percentage of investments of sub fund	Percentage of paid up capital of the investee company held
	(Number of shares)				(Rupees in '000)		(%)			
<b>FERTILIZERS</b>										
Engro Fertilizers Limited	69,804	140,855	-	-	195,454	15,205	2,231	1.98%	2.00%	0.00%
Fauji Fertilizer Bin Qasim Limited	-	34,000	-	-	15,500	18,500	508	0.45%	0.46%	0.00%
Fauji Fertilizer Company Limited	-	22,200	-	-	20,000	2,200	278	0.25%	0.25%	0.00%
Engro Corporation Limited	12,600	63,040	-	-	69,600	6,040	2,170	1.92%	1.95%	0.00%
	<b>82,404</b>	<b>260,095</b>	-	-	<b>300,554</b>	<b>41,945</b>	<b>5,187</b>	<b>4.60%</b>	<b>4.66%</b>	<b>0.00%</b>
<b>AUTOMOBILE ASSEMBLER</b>										
Honda Atlas Cars (Pakistan) Limited	-	16,000	-	-	10,200	5,800	1,293	1.15%	1.16%	0.00%
Atlas Battery Limited	-	2,000	-	-	-	2,000	500	0.44%	0.45%	0.01%
Exide Pakistan Limited	-	2,900	-	-	-	2,900	1,102	0.98%	0.99%	0.04%
Sazgar Engineering Works Ltd.	-	29,900	-	-	26,400	3,500	1,359	1.21%	1.22%	0.01%
Pak Suzuki Motor Co. Limited	-	3,000	-	-	3,000	-	-	-	-	-
	-	<b>53,800</b>	-	-	<b>39,600</b>	<b>14,200</b>	<b>4,254</b>	<b>3.78%</b>	<b>3.82%</b>	<b>0.06%</b>
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Oil & Gas Development Company Limited*	80,800	150,200	-	-	122,400	108,600	13,210	11.72%	11.85%	0.00%
Mari Petroleum Company Limited	3,180	4,747	-	-	7,344	583	1,479	1.31%	1.33%	0.00%
Pakistan Petroleum Limited*	105,612	195,200	-	-	176,800	124,012	13,164	11.67%	11.80%	0.00%
	<b>189,592</b>	<b>350,147</b>	-	-	<b>306,544</b>	<b>233,195</b>	<b>27,853</b>	<b>24.70%</b>	<b>24.98%</b>	<b>0.00%</b>
<b>OIL &amp; GAS MARKETING COMPANIES</b>										
Pakistan State Oil Company Limited* **	237	107,900	-	-	63,300	44,837	7,736	6.86%	6.94%	0.01%
Attock Petroleum Limited	-	3,800	-	-	3,800	-	-	-	-	-
Shell Pakistan Limited	-	53,450	-	-	45,450	8,000	1,199	1.06%	1.08%	0.00%
Sui Northern Gas Pipelines Limited*	60,982	360,359	-	-	272,841	148,500	9,284	8.23%	8.32%	0.02%
Sui Southern Gas Co. Ltd.	-	42,000	-	-	42,000	-	-	-	-	-
	<b>61,219</b>	<b>567,509</b>	-	-	<b>427,391</b>	<b>201,337</b>	<b>18,219</b>	<b>16.15%</b>	<b>16.34%</b>	<b>0.03%</b>
<b>COMMERCIAL BANKS</b>										
Bank Islami Pakistan Limited	179,511	229,500	-	-	325,511	83,500	1,732	1.54%	1.55%	0.01%
Faysal Bank Limited	-	171,000	-	-	171,000	-	-	-	-	-
Meezan Bank Limited	59,040	87,600	-	-	133,740	12,900	2,756	2.44%	2.47%	0.00%
	<b>238,551</b>	<b>488,100</b>	-	-	<b>630,251</b>	<b>96,400</b>	<b>4,488</b>	<b>3.98%</b>	<b>4.02%</b>	<b>0.01%</b>
<b>POWER GENERATION AND DISTRIBUTION</b>										
Nishat Power Limited	-	284,699	-	-	284,699	-	-	-	-	-
Hub Power Company Limited	95,000	161,600	-	-	134,800	121,800	14,770	13.10%	13.24%	0.01%
Nishat Chunian Power Ltd.	-	338,000	-	-	338,000	-	-	-	-	-
K-Electric Ltd (Face value Re. 3.5/-)	-	690,000	-	-	187,500	502,500	2,221	1.97%	1.99%	0.00%
Kot Addu Power Company	-	80,000	-	-	80,000	-	-	-	-	-
	<b>95,000</b>	<b>1,554,299</b>	-	-	<b>1,024,999</b>	<b>624,300</b>	<b>16,991</b>	<b>15.07%</b>	<b>15.23%</b>	<b>0.01%</b>
<b>ENGINEERING</b>										
Mughal Iron and Steel Industries Limited*	-	87,000	-	-	70,400	16,600	1,047	0.93%	0.94%	0.00%
Aisha Steel Mills Limited	-	33,000	-	-	-	33,000	223	0.20%	0.20%	0.01%
Amreli Steels Limited	-	8,249	-	-	-	8,249	178	0.16%	0.16%	0.00%
International Steels Ltd.	-	63,739	-	-	63,739	-	-	-	-	-
	-	<b>191,988</b>	-	-	<b>134,139</b>	<b>57,849</b>	<b>1,448</b>	<b>1.29%</b>	<b>1.30%</b>	<b>0.01%</b>
<b>REFINERY</b>										
National Refinery Limited	-	5,875	-	-	1,780	4,095	1,097	0.97%	0.98%	0.01%
Attock Refinery Limited	6,781	23,850	-	-	25,041	5,590	2,151	1.91%	1.93%	0.01%
	<b>6,781</b>	<b>29,725</b>	-	-	<b>26,821</b>	<b>9,685</b>	<b>3,248</b>	<b>2.88%</b>	<b>2.91%</b>	<b>0.02%</b>
<b>TECHNOLOGY AND COMMUNICATION</b>										
Systems Limited	10,150	8,200	-	-	18,350	-	-	-	-	-
Air Link Communication Limited	-	72,000	-	-	72,000	-	-	-	-	-
TPL Trakker Limited	296,500	-	-	-	-	296,500	1,862	1.65%	1.67%	0.16%
	<b>306,650</b>	<b>80,200</b>	-	-	<b>90,350</b>	<b>296,500</b>	<b>1,862</b>	<b>1.65%</b>	<b>1.67%</b>	<b>0.16%</b>
<b>FOOD AND PERSONNEL CARE PRODUCTS</b>										
Unity Foods Limited	-	120,500	-	-	120,500	-	-	-	-	-
	-	<b>120,500</b>	-	-	<b>120,500</b>	-	-	-	-	-
<b>GLASS AND CERAMICS</b>										
Ghani Glass Limited	-	36,000	-	-	36,000	-	-	-	-	-
Tariq Glass Limited	-	170,765	-	-	170,765	-	-	-	-	-
	-	<b>206,765</b>	-	-	<b>206,765</b>	-	-	-	-	-
<b>PROPERTY</b>										
TPL Properties Limited	-	9,000	-	-	9,000	-	-	-	-	-
	-	<b>9,000</b>	-	-	<b>9,000</b>	-	-	-	-	-
<b>TRANSPORT</b>										
Millat Tractors Limited	-	3,500	-	-	3,500	-	-	-	-	-
	-	<b>3,500</b>	-	-	<b>3,500</b>	-	-	-	-	-
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
Baluchistan Wheels Limited	-	24,500	-	-	2,000	22,500	3,713	3.29%	3.33%	0.17%
	-	<b>24,500</b>	-	-	<b>2,000</b>	<b>22,500</b>	<b>3,713</b>	<b>3.29%</b>	<b>3.33%</b>	<b>0.17%</b>
<b>PAPER &amp; BOARD</b>										
Century Paper & Board Mills	-	121,500	-	-	93,500	28,000	807	0.72%	0.72%	0.01%
	-	<b>121,500</b>	-	-	<b>93,500</b>	<b>28,000</b>	<b>807</b>	<b>0.72%</b>	<b>0.72%</b>	<b>0.01%</b>
<b>LEATHER &amp; TANNERIES</b>										
Service Global Footwear Ltd	-	12,000	-	-	12,000	-	-	-	-	-
	-	<b>12,000</b>	-	-	<b>12,000</b>	-	-	-	-	-
<b>MISCELLANEOUS</b>										
Pakistan Aluminium Beverage Cans Limited	-	29,700	-	-	29,700	-	-	-	-	-
Pakistan Hotels Developers	-	1,000	-	-	1,000	-	-	-	-	-
	-	<b>30,700</b>	-	-	<b>30,700</b>	-	-	-	-	-
<b>Total as at March 31, 2024</b>	<b>1,553,904</b>	<b>5,327,925</b>	-	-	<b>4,813,170</b>	<b>2,068,659</b>	<b>111,523</b>	<b>98.91%</b>	<b>100.00%</b>	
<b>Carrying Value as at March 31, 2024</b>							<b>97,855</b>			
<b>Total as at June 30, 2023</b>	<b>1,971,385</b>	<b>5,842,971</b>	<b>33,804</b>	-	<b>6,294,256</b>	<b>1,553,904</b>	<b>75,967</b>			

\* The above investments include shares with market value aggregating to Rs. 25.937 million (June 30, 2023: 11.563 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

\*\* These represent gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, have filed a petition in the Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 57(3)(viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement amounting Rs.0.065 million (June 30, 2023: 0.07 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 Sukuk

### 5.2.1 Held by Debt sub fund

Issue Date	Tenor	Face value				Carrying value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at March 31, 2024			Total investments of sub-fund	Net assets of sub-fund
		----- (Number of certificates) -----						----- Rupees in ('000) -----	----- (%) -----
April 17, 2023	1 Year	-	283,000	283,000	-	-	-	-	-
May 22, 2023	1 Year	100,000	-	100,000	-	-	-	-	-
June 26, 2023	1 Year	-	11,200	11,200	-	-	-	-	-
August 7, 2023	1 Year	-	91,700	91,700	-	-	-	-	-
October 9, 2023	1 Year	-	175,000	6,000	169,000	169,000	170,234	92.20%	54.82%
January 24, 2024	1 Year	-	15,015	1,050	13,965	11,986	12,027	6.51%	3.87%
<b>Total as at March 31, 2024</b>		<b>100,000</b>	<b>575,915</b>	<b>492,950</b>	<b>182,965</b>	<b>180,986</b>	<b>182,261</b>	<b>98.71%</b>	<b>58.69%</b>
Total as at June 30, 2023		-	380,000	280,000	100,000	100,000	100,067		

### 5.2.2 Held by Money Market sub fund

Issue Date	Tenor	Face value				Carrying value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of	
		As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at March 31, 2024			Total investments of sub-fund	Net assets of sub-fund
		----- (Number of certificates) -----						----- Rupees in ('000) -----	----- (%) -----
April 17, 2023	1 Year	-	684,000	684,000	-	-	-	-	-
May 22, 2023	1 Year	145,000	50,000	187,000	8,000	8,000	8,006	2.45%	1.84%
June 26, 2023	1 Year	-	11,200	11,200	-	-	-	-	-
August 7, 2023	1 Year	-	60,000	60,000	-	-	-	-	-
October 9, 2023	1 Year	-	225,000	9,000	216,000	216,615	217,577	66.63%	49.94%
December 4, 2023	3 Years	-	25,000	-	25,000	25,000	25,045	7.67%	5.75%
January 24, 2024	1 Year	-	18,495	-	18,495	15,931	15,917	4.87%	3.65%
<b>Total as at March 31, 2024</b>		<b>145,000</b>	<b>1,073,695</b>	<b>951,200</b>	<b>267,495</b>	<b>265,546</b>	<b>266,545</b>	<b>81.62%</b>	<b>61.18%</b>
Total as at June 30, 2023		-	351,000	206,000	145,000	145,000	145,097		

5.3 Sukuk Bonds

5.3.1 Held by Debt sub fund

Investee Company	Issue Date	Face value			Carrying value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of		
		As at July 1, 2023	Purchases during the period	Sales / matured during the period			Total investments of sub-fund	Net assets of sub-fund	
		(Number of certificates)					Rupees in ('000)		(%)
<b>TECHNOLOGY &amp; COMMUNICATION</b>									
TPL Tracker Limited	30-Mar-21	1	-	-	1	443	435	0.24%	0.14%
		<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>443</b>	<b>435</b>	<b>0.24%</b>	<b>0.14%</b>
<b>POWER GENERATION &amp; DISTRIBUTION</b>									
Hub Power Company Limited - 190320	19-Mar-20	50	-	50	-	-	-	-	-
K-Electric Limited 090223	9-Feb-23	9	-	9	-	-	-	-	-
China Power Hub Generation Company - 280323	28-Mar-23	15	-	15	-	-	-	-	-
Lucky Electric Power Company Limited - 130623	13-Jun-23	13	-	13	-	-	-	-	-
Lucky Electric Power Company Limited - 160823	16-Aug-23	-	6	6	-	-	-	-	-
		<b>87</b>	<b>6</b>	<b>93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous</b>									
Agha Steel Industries Limited	9-Aug-23	-	1	-	1	680	680	0.37%	0.22%
Agha Steel Industries Limited	9-Oct-18	1	-	1	-	-	-	-	-
OBS AGP Private Limited	15-Jul-21	20	-	-	20	1,253	1,259	0.68%	0.41%
		<b>21</b>	<b>1</b>	<b>1</b>	<b>21</b>	<b>1,933</b>	<b>1,939</b>	<b>1.05%</b>	<b>0.63%</b>
<b>Total as at March 31, 2024</b>		<b>109</b>	<b>7</b>	<b>94</b>	<b>22</b>	<b>2,376</b>	<b>2,374</b>	<b>1.29%</b>	<b>0.77%</b>
Total as at June 30, 2023		120	78	89	109	42,527	42,419		

5.3.2 Held by Money Market sub fund

Investee Company	Issue Date	Face value			Carrying value as at March 31, 2024	Market value as at March 31, 2024	Market value as a percentage of		
		As at July 1, 2023	Purchases during the period	Sales / matured during the period			Total investments of sub-fund	Net assets of sub-fund	
		(Number of certificates)					Rupees in ('000)		(%)
K-Electric Limited - 090223	9-Feb-23	15	-	15	-	-	-	-	-
China Power Hub Generation Company - 280323	28-Mar-23	10	-	10	-	-	-	-	-
K-Electric Limited - 180523	18-May-23	9	-	9	-	-	-	-	-
Lucky Electric Power Company Limited - 130623	13-Jun-23	12	-	12	-	-	-	-	-
Lucky Electric Power Company Limited - 160823	16-Aug-23	-	5	5	-	-	-	-	-
Lucky Electric Power Company Limited - 260324	26-Mar-24	-	60	-	60	60,000	60,000	18.38%	13.77%
<b>Total as at March 31, 2024</b>		<b>46</b>	<b>65</b>	<b>51</b>	<b>60</b>	<b>60,000</b>	<b>60,000</b>	<b>18.38%</b>	<b>13.77%</b>
Total as at June 30, 2023		10	69	33	46	46,000	46,000		

6. DIVIDEND AND PROFIT RECEIVABLE

	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Dividend receivable	1,793	-	-	1,793	2	-	-	2
Profit receivable on bank deposits	8	4,081	6,574	10,663	147	4,039	4,478	8,664
Profit accrued on investments	-	18,403	25,460	43,863	-	4,390	5,708	10,098
	<b>1,801</b>	<b>22,484</b>	<b>32,034</b>	<b>56,319</b>	<b>149</b>	<b>8,429</b>	<b>10,186</b>	<b>18,764</b>

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

	March 31, 2024				June 30, 2023			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Security Deposit with								
Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
National Clearing Company of Pakistan Limited	2,500	-	-	2,500	2,500	-	-	2,500
Receivable against sale of investment	-	-	-	-	2,557	-	-	2,557
Other Receivable	135	250	354	739	135	250	354	739
	<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>

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

	Note	March 31, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees in '000) -----							
Management fee	10.1	96	143	199	438	97	206	235	538
Sindh Sales Tax	10.2	12	19	26	57	13	27	31	71
Allocated Expenses		-	52	72	124	-	75	85	160
Other payable		2,500	-	-	2,500	-	-	-	-
		<b>2,608</b>	<b>214</b>	<b>297</b>	<b>3,119</b>	<b>110</b>	<b>308</b>	<b>351</b>	<b>769</b>

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

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

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

	Note	March 31, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees in '000) -----							
Trustee remuneration		17	46	59	122	12	31	34	77
Sindh Sales Tax on Trustee remuneration	9.1	2	6	8	16	2	4	4	10
		<b>19</b>	<b>52</b>	<b>67</b>	<b>138</b>	<b>14</b>	<b>35</b>	<b>38</b>	<b>87</b>

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

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

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to 0.04% of average annual net asset value of the pension fund.

**11. ACCRUED EXPENSES AND OTHER LIABILITIES**

	Note	March 31, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees in '000) -----							
Auditors' remuneration		58	85	49	192	70	134	123	327
Payable against purchase of investments		4,537	-	-	4,537	-	-	-	-
Federal Excise Duty	11.1	880	488	383	1,751	880	488	383	1,751
Payable against redemption of units		10,198	1,701	832	12,731	91	2,024	2,708	4,823
Other payable		526	287	166	979	401	156	81	638
		<b>16,199</b>	<b>2,561</b>	<b>1,430</b>	<b>20,190</b>	<b>1,442</b>	<b>2,802</b>	<b>3,295</b>	<b>7,539</b>

**11.1** 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 January 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 March 31, 2024 would have been higher by Rs. 3.8298, Rs. 0.4021 and Rs. 0.2188 (June 30, 2023: Rs. 3.3475 Rs. 0.4058 and Rs. 0.2800) per unit respectively.

12. NUMBER OF UNITS IN ISSUE	March 31, 2024				June 30, 2023			
	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	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	193,755	589,362	866,972	1,650,089	111,482	878,675	1,014,431	2,004,588
Units redeemed during the period	(201,400)	(557,478)	(488,126)	(1,247,004)	(168,690)	(289,351)	(276,889)	(734,930)
Reallocation during the period	(25,460)	(20,814)	3,940	(42,334)	(56,901)	21,450	85,542	50,091
<b>Total units in issue at the end of the period</b>	<b>229,778</b>	<b>1,213,663</b>	<b>1,750,504</b>	<b>3,193,945</b>	<b>262,883</b>	<b>1,202,593</b>	<b>1,367,718</b>	<b>2,833,194</b>

### 13. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

13.1 Transactions during the period	Nine Months Ended 31, March 2024				Nine Months Ended 31, March 2023			
	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	1,071	1,677	2,047	4,795	1,228	927	535	2,690
Allocation of fees and expenses	-	540	659	1,199	-	-	-	-
<b>Habib Bank Limited - Sponsor</b>								
Redemption of units	-	-	-	-	103,535	-	-	103,535
Amount of units redeemed	-	-	-	-	36,471	-	-	36,471
	15	32	28	75	18	21	22	61
Profit on bank deposits earned	1	120	114	235	79	95	81	255
<b>Directors and Executives of the Pension Fund Manager and their relatives</b>								
<b>Directors and their relatives</b>								
Issue of units	5,478	-	-	5,478	-	-	-	-
Amount of units issued	2,500	-	-	2,500	-	-	-	-
Reallocation of units	2,786	-	(5,425)	(2,639)	-	-	-	-
Amount of Units Reallocated	1,270	-	(1,270)	-	-	-	-	-



	Nine Months Ended 31, March 2024				Nine Months Ended 31, March 2023			
	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>Executives and their relatives</b>								
Issuance of units	23,450	22,296	1,861	47,607	-	-	-	-
Amount of units issued	10,997	5,522	420	16,939	-	-	-	-
Reallocation of units	1,090	(200)	(1,984)	(1,094)	-	-	-	-
Amount of Units Reallocated	527	(56)	(471)	-	-	-	-	-
<b>Directors of connected persons</b>								
Redemption of units	-	55,036	-	55,036	-	-	-	-
Amount of units redeemed	-	13,695	-	13,695	-	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>								
Remuneration	110	334	412	856	100	171	146	417
Sales tax on Remuneration	14	43	53	110	13	22	19	54
Central Depository System Charges	21	5	5	31	15	4	4	23
<b>CDC Trustee HBL Islamic Income Fund - Under Common Management</b>								
Purchase of GOP Ijara Sukuk	-	153,073	253,699	406,772	-	-	-	-
Sale of GOP Ijara Sukuk	-	8,885	-	8,885	-	-	-	-
<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)	-	-	-	-	-
<b>CDC Trustee HBL Islamic Money Market Fund - Under Common Management</b>								
Sale of GOP Ijara Sukuk	-	-	21,537	21,537	-	-	-	-

13.2	Balances outstanding as at period end	March 31, 2024				June 30, 2023			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	<b>HBL Asset Management Limited - Pension Fund Manager</b>								
	Management fee payable	96	143	199	438	97	206	235	538
	Sindh Sales tax Payable	12	19	26	57	13	27	31	71
	Allocated Expenses	-	52	72	124	-	75	85	160
	Other payable	2,500	-	-	2,500	-	-	-	-
	<b>Habib Bank Limited - Sponsor</b>								
	Bank balances	15,110	90,787	77,939	183,836	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	30,853	40,287	15,662	86,802	22,589	40,287	21,087	83,963
	Amount of units held	15,141	10,308	3,898	29,347	7,352	8,844	4,498	20,694
	<b>Executives and their relatives</b>								
	Units held	57,258	24,999	401	82,658	32,718	2,903	524	36,145
	Amount of units held	28,099	6,396	100	34,595	10,649	637	112	11,398
	<b>Central Depository Company of Pakistan Limited - Trustee</b>								
	Remuneration payable	19	52	67	138	12	31	34	77
	Security deposit receivable	100	100	100	300	100	100	100	300
	<b>Directors of connected persons</b>								
	Units held	-	-	-	-	23,961	55,036	-	78,997
	Amount of units held	-	-	-	-	7,799	12,081	-	19,880

## 14. FAIR VALUE OF FINANCIAL INSTRUMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

On-balance sheet financial instruments	Held by Equity sub-fund								
	March 31, 2024					Fair Value			Total
	Carrying Amount					Level 1	Level 2	Level 3	
Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total					
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
- Listed equity securities	111,523	-	-	-	111,523	111,523	-	-	111,523
	111,523	-	-	-	111,523				
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	-	15,557	15,557				
- Dividend receivable and accrued mark-up	-	-	-	1,801	1,801				
- Advances, deposits, prepayments and other receivables	-	-	-	2,735	2,735				
	-	-	-	20,093	20,093				
	111,523	-	-	20,093	131,616				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	2,608	2,608				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	19	19				
- Accrued expenses and other liabilities	-	-	-	15,319	15,319				
	-	-	-	17,946	17,946				
Held by Equity sub-fund									
June 30, 2023									
On-balance sheet financial instruments	Carrying Amount				Total	Fair Value			Total
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities		Level 1	Level 2	Level 3	
(Rupees in '000)									
<b>Financial assets measured at fair value</b>									
- Listed equity securities	75,967	-	-	-	75,967	75,967	-	-	75,967
	75,967	-	-	-	75,967				
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	5,752	-	5,752				
- Dividend receivable and accrued mark-up	-	-	149	-	149				
- Advances, deposits, prepayments and other receivables	-	-	5,183	-	5,183				
	-	-	11,084	-	11,084				
	75,967	-	11,084	-	87,051				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	97	97				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	12	12				
- Accrued expenses and other liabilities	-	-	-	562	562				
	-	-	-	671	671				

On-balance sheet financial instruments	Held by Debt sub-fund								
	March 31, 2024					Fair Value			
	Carrying Amount					Level 1	Level 2	Level 3	Total
Mandatorily at fair value	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total					
through profit or loss									
----- (Rupees in '000) -----									
<b>Financial assets measured at fair value</b>									
- GoP Ijarah Sukuks	182,261	-	-	182,261	-	182,261	-	-	182,261
- Sukuk Bonds	2,374	-	-	2,374	-	2,374	-	-	2,374
	<b>184,635</b>			<b>184,635</b>					
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	-	105,982	105,982				
- Dividend receivable and accrued mark-up	-	-	-	22,484	22,484				
- Other receivables	-	-	-	350	350				
	-	-	-	128,816	128,816				
	<b>184,635</b>			<b>128,816</b>	<b>313,451</b>				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	214	214				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	52	52				
- Accrued expenses and other liabilities	-	-	-	2,073	2,073				
	-	-	-	2,339	2,339				
On-balance sheet financial instruments	Held by Debt sub-fund								
	June 30, 2023					Fair Value			
	Designated as at fair value through profit or loss	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>Financial assets measured at fair value</b>									
- Government securities - Ijarah sukuks	100,067	-	-	-	100,067	-	100,067	-	100,067
- Sukuk Bonds	42,419	-	-	-	42,419	-	42,419	-	42,419
	<b>142,486</b>				<b>142,486</b>				
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	115,934	-	115,934				
- Dividend receivable and accrued mark-up	-	-	8,429	-	8,429				
- Advances, deposits, prepayments and other receivables	-	-	114	-	114				
	-	-	124,477	-	124,477				
	<b>142,486</b>		<b>124,477</b>		<b>266,963</b>				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	273	273				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	31	31				
- Accrued expenses and other liabilities	-	-	-	2,314	2,314				
	-	-	-	2,618	2,618				
On-balance sheet financial instruments	Held by Money Market sub-fund								
	March 31, 2024					Fair Value			
	Mandatorily at fair value	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
through profit or loss									
----- (Rupees in '000) -----									
<b>Financial assets measured at fair value</b>									
- GoP Ijarah Sukuks	266,545	-	-	-	266,545	-	266,545	-	266,545
- Sukuk Bonds	60,000	-	-	-	60,000	-	60,000	-	60,000
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	-	78,562	78,562				
- Dividend receivable and accrued mark-up	-	-	-	32,034	32,034				
- Advances, deposits, prepayments and other receivables	-	-	-	454	454				
	-	-	-	111,050	111,050				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	297	297				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	67	67				
- Accrued expenses and other liabilities	-	-	-	1,047	1,047				
	-	-	-	1,411	1,411				
On-balance sheet financial instruments	Held by Money Market sub-fund								
	June 30, 2023					Fair Value			
	Designated as at fair value through profit	Available for Sale	Loan and Receivables	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----									
<b>Financial assets measured at fair value</b>									
- GoP Ijarah Sukuks	145,097	-	-	-	145,097	-	145,097	-	145,097
- Sukuk Bonds	46,000	-	-	-	46,000	-	46,000	-	46,000
<b>Financial assets not measured at fair value</b>									
- Bank balances	-	-	93,778	-	93,778				
- Dividend receivable and accrued mark-up	-	-	10,186	-	10,186				
- Advances, deposits, prepayments and other receivables	-	-	111	-	111				
	<b>191,097</b>		<b>104,075</b>		<b>295,172</b>				
<b>Financial liabilities not measured at fair value</b>									
- Payable to the Pension Fund Manager	-	-	-	311	311				
- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	34	34				
- Accrued expenses and other liabilities	-	-	-	2,912	2,912				
	-	-	-	3,257	3,257				

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**14.1** 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.

**15. TOTAL EXPENSE RATIO**

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the Nine months period ended March 31, 2024 is 4.15%, 1.33% and 1.30% (June 30, 2023: 4.07%, 1.40% and 1.26%) respectively which includes 0.40%, 0.17% and 0.17% (June 30, 2023: 0.43%, 0.18% and 0.16%) respectively representing Government levy and SECP fee.

**16. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

**17. DATE OF AUTHORIZATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on April 26, 2024.

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**

## **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

**HBL KPK Islamic Pension Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT MARCH 31, 2024*

		March 31, 2024				
		Equity Index	Equity	Debt	Money market	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Note		----- (Rupees) -----				
<b>ASSETS</b>						
Bank balances	4	500,000	500,000	500,000	27,594,786	29,094,786
Investment	5				5,000,000	5,000,000
Markup on bank deposit receivable		-	-	-	1,695,139	1,695,139
Preliminary expenses and floatation costs	6	-	-	-	565,863	565,863
<b>Total assets</b>		500,000	500,000	500,000	34,855,788	36,355,788
<b>LIABILITIES</b>						
Payable to HBL Asset Management Limited - Pension Fund Manager	7	-	-	-	601,066	601,066
Payable to Central Depository Company of Pakistan Limited - Trustee	8	-	-	-	15,767	15,767
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	-	-	-	3,860	3,860
Accrued expenses and other liabilities	10	-	-	-	29,082	29,082
<b>Total liabilities</b>		-	-	-	649,775	649,775
<b>NET ASSETS</b>		500,000	500,000	500,000	34,206,013	35,706,013
<b>PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)</b>						
		500,000	500,000	500,000	34,206,013	35,706,013
<b>CONTINGENCIES &amp; COMMITMENTS</b>						
----- (Number of units) -----						
Number of units in issue	13	5,000	5,000	5,000	325,633	
----- (Rupees) -----						
Net assets value per unit		100.0000	100.0000	100.0000	105.0448	

The annexed notes from 1 to 20 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 MARCH 31, 2024**

		March 31, 2024				
		Equity Index	Equity	Debt	Money Market	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Note		----- (Rupees) -----				
<b>INCOME</b>						
	Mark-up on investment	-	-	-	5,986	5,986
	Mark-up on bank deposits	-	-	-	1,689,153	1,689,153
	<b>Total income</b>	-	-	-	1,695,139	1,695,139
<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	-	-	-	13,953	13,953
	Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Annual fee - Securities and Exchange Commission of Pakistan	-	-	-	1,814	1,814
	Auditor's remuneration	-	-	-	29,083	29,083
	Amortisation of formation cost	-	-	-	35,203	35,203
	<b>Total expenses</b>	-	-	-	83,913	83,913
	<b>Net income for the period before taxation</b>	-	-	-	1,611,226	1,611,226
	Taxation	14	-	-	-	-
	<b>Net income for the period after taxation</b>	-	-	-	1,611,226	1,611,226
	<b>Earnings per unit</b>	15				

The annexed notes from 1 to 20 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 QUARTER ENDED MARCH 31, 2024**

		March 31, 2024				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees) -----				
<b>INCOME</b>						
Mark-up on investment		-	-	-	5,986	5,986
Mark-up on bank deposits		-	-	-	1,415,461	1,415,461
<b>Total income</b>		-	-	-	1,421,447	1,421,447
<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		-	-	-	11,770	11,770
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Annual fee - Securities and Exchange Commission of Pakistan		-	-	-	1,530	1,530
Auditor's remuneration		-	-	-	3,278	3,278
Amortisation of formation cost		-	-	-	15,751	15,751
<b>Total expenses</b>		-	-	-	29,610	29,610
<b>Net income for the period before taxation</b>		-	-	-	61,939	61,939
Taxation	14	-	-	-	-	-
<b>Net income for the period after taxation</b>		-	-	-	1,359,508	1,359,508
<b>Earnings per unit</b>	15					

The annexed notes from 1 to 20 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 MARCH 31, 2024**

	March 31, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
Net income for the period after taxation	-	-	-	1,611,226	1,611,226
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,611,226	1,611,226

The annexed notes from 1 to 20 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 QUARTER ENDED MARCH 31, 2024**

	March 31, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
Net income for the period after taxation	-	-	-	1,359,508	1,359,508
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,359,508	1,359,508

The annexed notes from 1 to 20 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 MARCH 31, 2024**

March 31, 2024

	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	32,594,787	34,094,787
Amount paid on redemption of units	-	-	-	-	-
	500,000	500,000	500,000	32,594,787	34,094,787
Net income for the period	-	-	-	1,611,226	1,611,226
<b>Net assets at the end of period</b>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>34,206,013</u>	<u>35,706,013</u>

The annexed notes from 1 to 20 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 MARCH 31, 2024**

March 31, 2024					
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	-	-	-	1,611,226	1,611,226
Adjustments for non cash items:	-	-	-	-	-
(Increase) in assets					
Investment	-	-	-	(5,000,000)	(5,000,000)
Formation Cost	-	-	-	(565,863)	(565,863)
Markup on bank deposit receivable	-	-	-	(1,695,139)	(1,695,139)
	-	-	-	(7,261,002)	(7,261,002)
Increase in liabilities					
Payable to the Pension Fund Manager	-	-	-	601,066	601,066
Payable to Trustee	-	-	-	15,767	15,767
Annual fee - Securities and Exchange	-	-	-	3,860	3,860
Commission of Pakistan (SECP)	-	-	-	29,082	29,082
Accrued expenses and other liabilities	-	-	-	29,082	29,082
	-	-	-	649,775	649,775
<b>Net cash flows used in operating activities</b>	-	-	-	(5,000,001)	(5,000,001)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Receipt from issuance of units	500,000	500,000	500,000	32,594,787	34,094,787
Payments on redemption of units	-	-	-	-	-
<b>Net cash flow generated from financing activities</b>	500,000	500,000	500,000	32,594,787	34,094,787
<b>Net increase in cash and cash equivalents</b>	500,000	500,000	500,000	27,594,786	29,094,786
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	27,594,786	29,094,786

The annexed notes from 1 to 20 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 MARCH 31, 2024**

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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 90 days. 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:

- 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 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

		March 31, 2024 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Savings accounts	4.1	500,000	500,000	500,000	27,594,786	29,094,786

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

## 5 INVESTMENT

		March 31, 2024 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Lucky Electric STS	5.1	-	-	-	5,000,000	5,000,000

5.1 The amount showed investment in Short Term Sukuk of Lucky Electric Power Company Limited with the maturity of 6 months dated September 26, 2024 carrying rate of 21.58%.

## 6 PRELIMINARY EXPENSES AND FLOATATION COSTS

		March 31, 2024 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Cost charged	6.1	-	-	-	601,066	601,066
Less: Amortization for the period		-	-	-	(35,203)	(35,203)
Closing Balance		-	-	-	565,863	565,863

6.1 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, shall amortized over a period of five years.

**7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER**

		March 31, 2024 (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	7.1	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	7.2	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	7.3	-	-	-	601,066	601,066
		-	-	-	601,066	601,066

7.1 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.

7.2 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.

7.3 Formation Costs as agreed with the employer, 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.

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

		March 31, 2024 (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	8.1	-	-	-	13,953	13,953
Sindh Sales Tax on remuneration of Trustee	8.2	-	-	-	1,814	1,814
		-	-	-	15,767	15,767

8.1 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

8.2 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.

## 9 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 March 31, 2024 period-end.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2024 (Un-audited)				Total
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	
	(Rupees)				
Audit fees payable	-	-	-	29,082	29,082
	-	-	-	29,082	29,082

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024.

## 12 CONTRIBUTION TABLE

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

From:	March 31, 2024 (Un-audited)									
	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)
Individuals	-	-	-	-	-	-	25,633	2,594,787	25,633	2,594,787
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

## 13 NUMBER OF UNITS IN ISSUE

	March 31, 2024 (Un-audited)									
	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	(Number of units)									
Total units outstanding at beginning of the period	-	-	-	-	-	-	-	-	-	-
Units issued during the period	5,000	5,000	5,000	5,000	5,000	5,000	325,633	325,633	340,633	340,633
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	5,000	5,000	5,000	325,633	325,633	340,633	340,633

## 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:

	March 31, 2024 (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	-	-	-	601,066	601,066
<b>Habib Bank Limited - Sponsor</b>					
Issuance of Seed Capital Units	Number	5,000	5,000	5,000	300,000
Amount of Seed Capital Units issued		500,000	500,000	500,000	30,000,000
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration to the Central Depository Company of Pakistan Limited - Trustee	-	-	-	13,953	13,953
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	1,814	1,814

### 16.2 Balances outstanding as at period end

	March 31, 2024 (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 Tax payable on remuneration of the Pension Fund Manager	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	-	-	-	601,066	601,066
<b>Habib Bank Limited - Sponsor</b>					
Seed Capital Units held	Number	5,000	5,000	5,000	300,000
Amount of Seed Capital Units held at NAV		500,000	500,000	500,000	31,513,438
<b>Central Depository Company of Pakistan Limited - Trustee</b>					
Remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	13,953	13,953
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	1,814	1,814

## 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 including their levels in the fair value hierarchy:

		Held by Equity Index Sub-Fund						
		March 31, 2024 (Un-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) -----						
<b>Financial assets not measured at fair value</b>	17.1							
Bank balances		-	500,000	500,000	-	-	-	-
		-	500,000	500,000	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	-	-	-	-	-	-
Payable to the Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		----- (Rupees) -----						
		Held by Equity Sub-Fund						
		March 31, 2024 (Un-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) -----						
<b>Financial assets not measured at fair value</b>	17.1							
Bank balances		-	500,000	500,000	-	-	-	-
		-	500,000	500,000	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	-	-	-	-	-	-
Payable to the Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-
		-	-	-	-	-	-	-



		Held by Debt Sub-Fund						
		March 31, 2024 (Un-audited)						
		Carrying Amount			Fair Value			
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees)						
<b>Financial assets not measured at fair value</b>	17.1							
Bank balances		-	500,000	500,000	-	-	-	-
		-	500,000	500,000	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	-	-	-	-	-	-
Payable to the Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		Held by Money Market Sub-Fund						
		March 31, 2024 (Un-audited)						
		Carrying Amount			Fair Value			
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees)						
<b>Financial assets not measured at fair value</b>	17.1							
Investment		-	5,000,000	5,000,000	-	-	-	-
Bank balances		-	27,594,786	27,594,786	-	-	-	-
		-	32,594,786	32,594,786	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	601,066	601,066	-	-	-	-
Payable to the Trustee		-	13,953	13,953	-	-	-	-
Accrued expenses and other liabilities		-	29,082	29,082	-	-	-	-
		-	644,101	644,101	-	-	-	-

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 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.

## 18 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:

	March 31, 2024 (Un-audited)			
	Equity Index Sub Fund	Equity Sub Fund	Debt Sub Fund	Money Market Sub Fund
	----- % -----			
Annualized Total Expense Ratio	0%	0%	0%	0.88%
Government levy and SECP fees	0%	0%	0%	0.07%
Insurance Charges	0%	0%	0%	0%

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**19 DATE OF AUTHORISATION FOR ISSUE**

19.1 These condensed interim financial statements were authorised for issue on April 26, 2024 by the Board of Directors of the Pension Fund Manager.

**20 GENERAL**

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

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

**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**

## **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

**HBL KPK Pension Fund**  
**Condensed Interim Statement of Assets and Liabilities (Un-Audited)**  
*AS AT MARCH 31, 2024*

		March 31, 2024				
		Equity Index	Equity	Debt	Money market	Total
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	
Note		----- (Rupees) -----				
<b>ASSETS</b>						
Bank balances	4	500,000	500,000	500,000	3,003,006	4,503,006
Investments	5				30,579,110	30,579,110
Markup on bank deposit receivable		-	-	-	1,174,249	1,174,249
Preliminary expenses and floatation costs	6	-	-	-	565,863	565,863
<b>Total assets</b>		500,000	500,000	500,000	35,322,228	36,822,228
<b>LIABILITIES</b>						
Payable to HBL Asset Management Limited - Pension Fund Manager	7	-	-	-	601,066	601,066
Payable to Central Depository Company of Pakistan Limited - Trustee	8	-	-	-	16,529	16,529
Annual fee payable to the Securities and Exchange Commission of Pakistan	9	-	-	-	3,889	-
Accrued expenses and other liabilities	10	-	-	-	29,081	29,081
<b>Total liabilities</b>		-	-	-	650,565	650,565
<b>NET ASSETS</b>		500,000	500,000	500,000	34,671,663	36,171,663
<b>PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)</b>		500,000	500,000	500,000	34,671,663	36,171,663
<b>CONTINGENCIES &amp; COMMITMENTS</b>						
----- (Number of units) -----						
Number of units in issue	13	5,000	5,000	5,000	327,572	
----- (Rupees) -----						
Net assets value per unit		100.0000	100.0000	100.0000	105.8444	

The annexed notes from 1 to 20 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 MARCH 31, 2024**

		March 31, 2024				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees) -----				
<b>INCOME</b>						
		-	-	-	857,989	857,989
		-	-	-	1,163,473	1,163,473
		-	-	-	(66,438)	(66,438)
		-	-	-	(84)	(84)
	<b>Total income</b>	-	-	-	1,954,940	1,954,940
<b>EXPENSES</b>						
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	14,627	14,627
		-	-	-	1,902	1,902
		-	-	-	3,889	3,889
		-	-	-	46,443	46,443
		-	-	-	29,081	29,081
	<b>Total expenses</b>	-	-	-	84,702	84,702
	<b>Net income for the period before taxation</b>	-	-	-	1,870,238	1,870,238
	Taxation	14	-	-	-	-
	<b>Net income for the period after taxation</b>	-	-	-	1,870,238	1,870,238
	<b>Earnings per unit</b>	15				

The annexed notes from 1 to 20 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 QUARTER ENDED MARCH 31, 2024**

		March 31, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	----- (Rupees) -----					
<b>INCOME</b>						
	-	-	-	857,989	857,989	
	-	-	-	835,027	835,027	
	-	-	-	(66,438)	(66,438)	
	-	-	-	(84)	(84)	
<b>Total income</b>	-	-	-	1,626,494	1,626,494	
<b>EXPENSES</b>						
	-	-	-	-	-	
	-	-	-	-	-	
	-	-	-	12,438	12,438	
	-	-	-	1,617	1,617	
	-	-	-	3,307	3,307	
	-	-	-	15,750	15,750	
	-	-	-	29,610	29,610	
<b>Total expenses</b>	-	-	-	62,722	62,722	
<b>Net income for the period before taxation</b>	-	-	-	1,563,772	1,563,772	
Taxation	-	-	-	-	-	14
<b>Net income for the period after taxation</b>	-	-	-	1,563,772	1,563,772	
<b>Earnings per unit</b>						15

The annexed notes from 1 to 20 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 MARCH 31, 2024

	March 31, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
Net income for the period after taxation	-	-	-	1,870,238	1,870,238
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,870,238</u>	<u>1,870,238</u>

The annexed notes from 1 to 20 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 QUARTER ENDED MARCH 31, 2024**

	March 31, 2024				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees)				
Net income for the period after taxation	-	-	-	1,563,772	1,563,772
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	1,563,772	1,563,772

The annexed notes from 1 to 20 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 MARCH 31, 2024

	March 31, 2024				
	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	32,801,425	34,301,425
Amount paid on redemption of units	-	-	-	-	-
	500,000	500,000	500,000	32,801,425	34,301,425
Net income for the period	-	-	-	1,870,238	1,870,238
Net assets at the end of period	500,000	500,000	500,000	34,671,663	36,171,663

The annexed notes from 1 to 20 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 MARCH 31, 2024**

					March 31, 2024					
		Equity Index	Equity	Debt	Money Market					
		Sub-Fund	Sub-Fund	Sub-Fund	Sub-Fund	Total				
		Note					(Rupees)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income for the period		-	-	-	1,870,238	1,870,238				
Adjustments for non cash items:		-	-	-	-	-				
(Increase) in assets										
Formation Cost		-	-	-	(565,863)	(565,863)				
Investment		-	-	-	(30,579,110)	(30,579,110)				
Markup on bank deposit receivable		-	-	-	(1,174,249)	(1,174,249)				
		-	-	-	(32,319,222)	(32,319,222)				
Increase in liabilities										
Payable to the Pension Fund Manager		-	-	-	601,066	601,066				
Payable to Trustee		-	-	-	16,529	16,529				
Annual fee - Securities and Exchange Commission of Pakistan (SECP)		-	-	-	3,889	3,889				
Accrued expenses and other liabilities		-	-	-	29,081	29,081				
		-	-	-	650,565	650,565				
<b>Net cash flows used in operating activities</b>		-	-	-	(29,798,419)	(29,798,419)				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipt from issuance of units		500,000	500,000	500,000	32,801,425	34,301,425				
Payments on redemption of units		-	-	-	-	-				
<b>Net cash flows generated from financing activities</b>		500,000	500,000	500,000	32,801,425	34,301,425				
Net increase in cash and cash equivalents		500,000	500,000	500,000	3,003,006	4,503,006				
Cash and cash equivalents at beginning of the period		-	-	-	-	-				
Cash and cash equivalents at end of the period	4	500,000	500,000	500,000	3,003,006	4,503,006				

The annexed notes from 1 to 20 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 MARCH 31, 2024

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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;
  - 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;

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- 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. 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 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 90 days. Time to maturity of any assets in the portfolio shall not exceed six months. 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 10% 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 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;
- 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.

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**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.

**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

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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.

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.

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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.

### **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.



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### **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

		March 31, 2024 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Savings accounts	4.1	500,000	500,000	500,000	3,003,006	4,503,006

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

## 5 INVESTMENT

		March 31, 2024 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Lucky Electric Sukuk - at amortized cost	5.1				3,000,000	3,000,000
Treasury Bills - fair value through profit and loss	5.2	-	-	-	27,579,110	27,579,110
		-	-	-	30,579,110	30,579,110

5.1 The six month short term sukuk from Lucky Electric Power Company Limited was purchased from issuer with the maturity of September 26, 2024.

### 5.2 Treasury Bills

	Issue date	Purchase during the period	Sold/Matured during period	As at March 31, 2014	Carrying Value as at March 31, 2024	Market Value as at March 31, 2024
		(Rupees)				
Treasury Bill - 12 months	13-Jul-23	19,000,000	-	19,000,000	17,975,231	17,921,770
Treasury Bill - 3 months	7-Mar-24	10,000,000	-	10,000,000	9,670,317	9,657,340
Treasury Bill - 12 months	27-Mar-23	5,500,000	5,500,000	-	-	-
		34,500,000	5,500,000	29,000,000	27,645,548	27,579,110

## 6 PRELIMINARY EXPENSES AND FLOATATION COSTS

		March 31, 2024 (Un-audited)				
	Note	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		(Rupees)				
Cost charged	6.1	-	-	-	601,066	601,066
Less: Amortization for the period		-	-	-	(35,203)	(35,203)
Closing Balance		-	-	-	565,863	565,863

6.1 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 and shall be amortized over a period of five years.

**7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER**

		March 31, 2024 (Un-audited)				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees)-----				
Remuneration Payable to the Pension Fund Manager	7.1	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	7.2	-	-	-	-	-
Formation cost payable to the Pension Fund Manager	7.3	-	-	-	601,066	601,066
		-	-	-	601,066	601,066

**7.1** 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.

**7.2** 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.

**7.3** Formation Costs as agreed with the employer, 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.

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

		March 31, 2024 (Un-audited)				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note		----- (Rupees)-----				
Remuneration to the Central Depository of Pakistan Limited - Trustee	8.1	-	-	-	14,627	14,627
Sindh Sales Tax on remuneration of Trustee	8.2	-	-	-	1,902	1,902
		-	-	-	16,529	16,529

**8.1** 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

**8.2** 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.

**9 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 March 31, 2024 period-end.

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2024 (Un-audited)				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees) -----				
Audit fees payable	-	-	-	29,081	29,081
	-	-	-	29,081	29,081

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at March 31, 2024.

## 12 CONTRIBUTION TABLE

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

	March 31, 2024 (Un-audited)									
	Equity Index Sub-Fund		Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)	(Units)	(Rupees)
From:										
Individuals	-	-	-	-	-	-	27,572	2,801,425	27,572	2,801,425
Habib Bank Limited - Sponsor	5,000	500,000	5,000	500,000	5,000	500,000	300,000	30,000,000	315,000	31,500,000

## 13 NUMBER OF UNITS IN ISSUE

	March 31, 2024 (Un-audited)				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Number of units) -----				
Total units outstanding at beginning of the period	-	-	-	-	-
Units issued during the period	5,000	5,000	5,000	327,572	342,572
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	327,572	342,572

## 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

March 31, 2024 (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	-	-	-	601,066	601,066	
<b>Habib Bank Limited - Sponsor</b>						
Issuance of Seed Capital Units	Number	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

March 31, 2024 (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 Tax payable on remuneration of the Pension Fund Manager	-	-	-	-	-	
Formation cost payable to the Pension Fund Manager	-	-	-	601,066	601,066	
<b>Habib Bank Limited - Sponsor</b>						
Seed Capital Units held	Number	5,000	5,000	5,000	300,000	315,000
Amount of Seed Capital Units held at NAV		500,000	500,000	500,000	31,753,312	33,253,312
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	14,627	14,627	
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	1,902	1,902	

## 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 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:

		Held by Equity Index Sub-Fund						
		March 31, 2024 (Un-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)						
<b>Financial assets not measured at fair value</b>	17.1							
Bank balances		-	500,000	500,000	-	-	-	-
		-	500,000	500,000	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	-	-	-	-	-	-
Payable to the Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

		Held by Equity Sub-Fund						
		March 31, 2024 (Un-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)						
<b>Financial assets not measured at fair value</b>	17.1							
Bank balances		-	500,000	500,000	-	-	-	-
		-	500,000	500,000	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	-	-	-	-	-	-
Payable to the Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

		Held by Debt Sub-Fund						
		March 31, 2024 (Un-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) -----						
<b>Financial assets not measured at fair value</b>	17.1							
Bank balances		-	500,000	500,000	-	-	-	-
		-	500,000	500,000	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	-	-	-	-	-	-
Payable to the Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		Held by Money Market Sub-Fund						
		March 31, 2024 (Un-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) -----						
<b>Financial assets measured at fair value</b>								
Investment		27,579,110	-	27,579,110	-	27,579,110	-	27,579,110
		27,579,110	-	27,579,110	-	27,579,110	-	27,579,110
<b>Financial assets not measured at fair value</b>	17.1							
Investment			3,000,000	3,000,000				
Bank balances		-	3,003,006	3,003,006	-	-	-	-
		-	6,003,006	6,003,006	-	-	-	-
<b>Financial liabilities not measured at fair value</b>	17.1							
Payable to the Pension Fund Manager		-	601,066	601,066	-	-	-	-
Payable to the Trustee		-	14,627	14,627	-	-	-	-
Accrued expenses and other liabilities		-	29,081	29,081	-	-	-	-
		-	644,774	644,774	-	-	-	-

**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 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.

**18 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>March 31, 2024 (Un-audited)</b>			
	<b>Equity Index</b>	<b>Equity</b>	<b>Debt</b>	<b>Money Market</b>
	<b>Sub-Fund</b>	<b>Sub-Fund</b>	<b>Sub-Fund</b>	<b>Sub-Fund</b>
	----- % -----			
Annualized Total Expense Ratio	0.00%	0.00%	0.00%	0.88%
Government levy and SECP fees	0.00%	0.00%	0.00%	0.07%
Insurance charges	0.00%	0.00%	0.00%	0.00%

**19 DATE OF AUTHORISATION FOR ISSUE**

**19.1** These condensed interim financial statements were authorised for issue on April 26, 2024 by the Board of Directors of the Pension Fund Manager.

**20 GENERAL**

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

**20.2** 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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