

HBL

ASSET MANAGEMENT LTD.

ايسيت مينجمنت لميٽڊ

AMC Rating : AM2++ by JCR-VIS



HBL Islamic Pension Fund & HBL Pension Fund Annual Report 2021-22

MOVING TOWARDS
EXCELLENCE

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OUR VISION

Enabling people to
advance with
confidence and
success.

OUR MISSION

To make our
Investor (s) prosper,
our staff excel and
to create value for
our stakeholders.

PROGRESSIVENESS

We believe in the advancement of society through the adoption of enlightened working practice, innovative new products and processes and a spirit of enterprise.

MERITOCRACY

We believe in giving opportunities and advantages to our employees on the basis of their ability. We believe in rewarding achievement and in providing first class career opportunities for all.

EXCELLENCE

The markets in which we operate are becoming increasingly competitive and our investors now have an abundance of choice. Only through being the very best - in terms of the service we offer, our product and premises - can we hope to be successful and grow.

OUR CORPORATE VALUES

Our values are based upon the fundamental principles that define our culture and are brought to life in our attitude and behavior. It is our values that make us unique and stem from five basic principles.

CUSTOMER FOCUS

We need to understand fully the need of our investors and to adopt our product and services to meet these. We must strive always to put the satisfaction of our investor first.

INTEGRITY

We are an Asset Management Company in Pakistan and our success depends upon the performance of the Fund(s) which are under management and our investors and society in general expect us to possess and steadfastly adhere to high moral principles and professional standards.

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of August 26, 2021)

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

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

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

Technology Committee

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

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2++ (Stable Outlook)

Legal Advisor

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

Website

www.hblasset.com

Head Office & Registered Office

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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

ECONOMIC REVIEW

The Government adopted a pro-growth budget for FY22, whereby it projected GDP growth of 4.8%. However, the growth rate exceeded expectations, and clocked in at 5.97%, based on 4.40%, 7.19% and 6.19% growth in Agriculture, Industries and Services sectors, respectively. For FY23, the government is targeting GDP growth of 5.0%, based on 3.9%, 7.1%, and 5.1% growth in Agriculture, Industrial and Services sectors, respectively.

Although the growth momentum remained intact in FY22, there are risks to future economic growth in the form of rapid increase in Current Account Deficit (CAD) and inflationary pressures on account of elevated international commodity prices. In order to achieve more sustainable economic growth, the authorities have taken some contractionary monetary and fiscal policy measures; however, recent geopolitical developments pose further risks to widening of twin deficits, which may lead to slowdown in economic activity.

The CAD for Jun-22 clocked in at USD 2.28bn, taking FY22 CAD to USD 17.41bn, compared to a Deficit of USD 2.82bn during the same period last year. This was primarily driven by a higher trade deficit as the growth in imports (up 34.2%) outstripped the growth in exports (up 24.8%) due to increase in international commodity prices, higher machinery imports under TERF, and increase in import of food items and COVID-19 vaccines. The higher trade deficit was partially offset by increase in remittances, which amounted to USD 31.24bn (up 6.07% YoY), compared to USD 29.45bn during the same period last year. In order to curtail the rapid increase in CAD, the Government has taken several measures, such as imposition of 100% cash margin requirement on import of certain items, and imposing a ban on import of certain luxury items, among others.

CPI for Jun-22 clocked in at 21.32% YoY, taking FY22 average inflation to 12.15%, compared to 8.90% during the SPLY. The increase in CPI was largely driven by higher food and fuel prices, which have been on a rising trajectory owing to demand-side pressures as global economies begin to reopen, while supply-side constraints still persist.

Fiscal deficit during FY22 was recorded at 7.9% of GDP (PKR 5,260bn), compared to 6.1% of GDP (PKR 3,403bn) during the same period last year (SPLY). Similarly, Primary balance posted a deficit of 3.1% of GDP (PKR 2,077bn), compared to 1.2% of GDP (PKR 654bn) during the SPLY. FBR collected PKR 6,143bn during FY22, compared to PKR 4,764bn during the SPLY. The net collection exceeded the upward revised target by PKR ~25bn.

Rebased LSMI output was up 14.2% in June-22, taking FY22 LSMI growth to 7.7% YoY. This was primarily driven by Food, Beverages and Tobacco (up 15.2%), Pharmaceuticals (up 19.9%), and Automobiles (up 24.6%).

STOCK MARKET REVIEW

During FY22, the KSE-100 index declined by 5,815pts or 12.8% to close at 41,541pts while the KMI-30 index declined by 7,855pts or 10.3% to close at 68,766pts. The poor performance of the market is primarily attributable to i) Rapid increase in CAD due to rising domestic demand and significant increase in international commodity prices, which were further fueled by the war between Russia and Ukraine, ii) Rising inflation due to the commodity super cycle, iii) Commencement of monetary tightening, iv) Uncertain local political situation, v) Geopolitical issues in the region, vi) Delay in the resumption of IMF program, vii) Depleting foreign exchange reserves resulting in PKR losing significant ground against the USD, and viii) Continued foreign selling after Pakistan's reclassification from MSCI Emerging to Frontier Market Index.

During FY22, major negative contribution came from Cement (2,328 pts), Technology & Communication (912 pts), Commercial Banks (520 pts) and Refinery (424 pts) sectors. On the other hand, major positive contribution came from Fertilizer (668 pts), and Chemical (424 pts) sectors.

During the period, average traded volume declined by 56% YoY to 115mn shares, while average traded value declined by 53% YoY to PKR 6.3bn. On the flows side, Foreigners were net sellers during FY22 and sold shares worth USD 297.5Mn.

We expect the equity market to remain range-bound in the near-term due to the prevailing local and geopolitical uncertainty, rising commodity prices, and depleting foreign exchange reserves. However, the additional revenue measures announced have paved the way for resumption of the IMF program, which is crucial for the country to secure financing from other sources. This may alleviate the downward pressure on the PKR and potentially limit any downside in the equity market. Our longer-term equity outlook remains positive due to attractive valuations. The market is likely to regain its positive momentum once there is more clarity on the Government's economic policies, along with easing of geopolitical tensions. Reversal in international commodity prices, either on the back of disruption in demand or increase in supply, is likely to reignite investor interest in Equities.

MONEY MARKET REVIEW

Post-COVID, the SBP shifted its focus from catalyzing economic recovery toward sustaining it. Accordingly, the Monetary Policy Committee (MPC) increased the Policy Rate by 2.75% to 9.75% during 1HFY22. However, the onset of war between Russia and Ukraine during 2HFY22 led to a spike in international commodity prices, fueling inflationary concerns and prompting the MPC to increase the Policy Rate by another 400bps to 13.75%. Resultantly, during FY22, secondary market yields on T-bills increased in the range of 7.49-7.70%, while those on PIBs increased in the range of 2.98-4.46%.

The cut-off yields in the last T-bills auction were 15.23%, 14.80%, and 14.95% for 3M, 6M and 12M tenors, respectively. The cut-off yields in the last PIBs auction were 13.97%, 13.18%, and 13.15% in 3Y, 5Y and 10Y tenors, respectively, while bids for 15Y tenors were rejected.

GoP Ijarah Sukuk auction was held on 20-Jun-22, with a target of PKR 100bn (PKR 25bn Fixed Rental and PKR 75bn Variable Rental Rate) for a period of 5 years. The Ministry of Finance accepted bids worth PKR 6.03bn (at 12.9406%) in FRR Sukuk, and PKR 61.11bn (at 13.64%) in VRR Sukuk.

The latest hike in the Policy Rate to 13.75% is expected to help moderate demand to a more sustainable pace, while keeping inflation expectations anchored, and containing risks to external stability. However, we believe that given the current geopolitical scenario and inflationary concerns on the back of elevated international commodity prices, further monetary tightening cannot be ruled out in order to cushion the adverse impact on CAD and local currency.

FUTURE OUTLOOK

Moving ahead, we expect economic growth to slow down to ~4.0% in FY23 on the back of much needed fiscal consolidation by the government. Moreover, the ongoing local and geopolitical uncertainty, along with global inflationary pressures pose major risks to economic growth. Focus would remain on how the Government keeps economic growth at a sustainable level, while keeping the external and fiscal accounts in check.

On the fiscal side, the government expects Fiscal deficit of PKR 3.80tn (~4.6% of GDP) in FY23. The decline is primarily based on the government's projection of ~20% increase in FBR's tax collection to PKR 7.4tn, along with increase in collection of petroleum levy to PKR 550bn.

On the fixed income front, we believe that gradual imposition of PDL on fuel, along with hike in electricity and gas tariffs, will translate adversely in CPI. Resultantly, we expect average inflation for FY23 to be in the range of 19-21%. However, inflation is expected to taper down from FY24 onwards due to high-base effect and expectation of easing in international commodity prices. Upside risks to our estimates remain in the form of elevated international commodity prices for an extended period due to geopolitical concerns. On the Islamic front, we expect the Government to issue GoP Ijara Sukuk and other GoP Guaranteed Sukuk in FY23 to bridge the fiscal gap.

Our long-term view on Pakistan equities is positive due to cheap valuations. The equity market is trading at an eye catching P/E multiple of 4.1x compared to regional average of 14.5x, and offers an attractive dividend yield of 10.9%, compared to regional average of 2.8%. It is pertinent to note that the spread between KSE-100 index earnings yield and 10Y PKRV is 11.7%, compared to 5-year historical average spread of 4.4%, which implies an upside of ~42%. Hence, we believe that Pakistan equities offer a good opportunity for long-term investors.

Fund's Performance

HBL Pension Fund

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

The Fund as a whole incurred a total and net loss of Rs. 1.34 million and Rs. 10.02 million respectively during the year under review. The fund size increased from Rs. 664.66 million as on June 30, 2021 to Rs. 831.41 million as at June 30, 2022 thereby showing an increase of 25% during the year under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the year under review, the Equity sub-fund incurred a total and net loss of Rs. 58.21 million and Rs. 61.21 million respectively. The net assets of the Equity sub-fund was Rs. 133.43 million representing Net Asset Value (NAV) of Rs. 312.6181 per unit as at June 30, 2022. The Sub Fund yielded a negative return of 27.86% for the year under review. The Fund is invested to the extent of 95% in equities.

Debt Sub-Fund

During the year under review, the Debt sub-fund earned total and net income of Rs. 23.06 million and Rs. 21.00 million respectively. The net assets of the Debt sub-fund was Rs. 294.95 million representing Net Asset Value (NAV) of Rs. 236.4216 per unit as at June 30, 2022. The Fund yielded annualized return of 9.67% for the year under review.

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 33.80 million and Rs. 30.19 million respectively. The net assets of the Money Market sub-fund was Rs. 403.04 million representing Net Asset Value (NAV) of Rs. 205.8763 per unit as at June 30, 2022. An annualized return of 10.13% was earned by the Fund for the year under review.

HBL Islamic Pension Fund

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

The Fund as a whole incurred a total and net loss of Rs. 26.54 million and Rs. 31.51 million respectively during the year under review. The fund size slightly decreased from Rs. 347.40 million as at June 30, 2021 to Rs. 343.34 million as at June 30, 2022 showing a decrease of 1%. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the year under review, the Equity sub-fund incurred a total and net loss of Rs. 43.47 million and Rs. 46.27 million respectively. The net assets of the Equity sub-fund was Rs. 133.10 million representing Net Asset Value (NAV) of Rs. 353.0630 per unit as at June 30, 2022. The Fund yielded a negative return of 24.16% for the year. The Sub Fund is invested to the extent of 95% in equities.

Debt Sub-Fund

During the year under review, the Debt sub-fund earned total and net income of Rs. 9.42 million and Rs. 8.17 million respectively. The net assets of the Debt sub-fund was Rs. 110.89 million representing Net Asset Value (NAV) of Rs. 187.3649 per unit as at June 30, 2022. The Fund yielded annualized return of 8.84% for the year under review.

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 7.51 million and Rs. 6.59 million respectively. The net assets of the Money Market sub-fund was Rs. 99.36 million representing Net Asset Value (NAV) of Rs. 182.4250 per unit as at June 30, 2022. An annualized return of 8.75% was earned by the Fund for the year under review.

Auditors

M/s Yousuf Adil & Co., Chartered Accountants, existing auditors of HBL Pension Fund and HBL Islamic Pension Fund have retired. The Board of Directors on the recommendation of the Audit Committee, has re-appointed M/s. Yousuf Adil & Co., Chartered Accountants as Auditors of these Funds for the year ending June 30, 2023.

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

FUND INFORMATION

NAME OF FUND

HBL Islamic Pension Fund

NAME OF AUDITOR

Yousuf Adil Chartered Accountants

NAME OF TRUSTEE

Central Depository Company of Pakistan

NAME OF BANKERS

Habib Bank Limited
Faysal Bank Limited
Bank Islami Paksitan Limited
Soneri Bank
Bank Al Habib Limited
Meezan Bank
Dubai Islamic Bank
Summit Bank
Allied Bank
Habib Metropolitan Bank

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

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TRUSTEE REPORT TO THE PARTICIPANTS

HBL ISLAMIC PENSION FUND

Report of the Trustee pursuant to Regulation 67D (viii) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2022



STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Pension Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2022. This has been duly confirmed by the Shariah Advisor of the Fund.

**Mir Adil Rashid**

Chief Executive Officer

Dated: August 29, 2022

Independent Reasonable Assurance Report to the Participants on the statement of compliance with the Shariah Principles

1. Introduction

We were engaged by the Board of Directors of HBL Asset Management Company Limited, Management Company of HBL Islamic Pension Fund (the Fund) to report on Fund's compliance with the as set out in the annexed statement prepared by the Management Company for the year ended June 30, 2022, in the form of an independent reasonable assurance conclusion about whether the annexed statement presents fairly the status of the Fund's Compliance with Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor, in all material respects.

2. Applicable criteria

The criteria against which the subject matter information (the statement) is assessed comprise of Shariah principles specified in the Trust Deed and the guidelines issued by the Shariah Advisor.

The above criteria were evaluated for their implementation on the financial statements of the Fund for the year ended June 30, 2022.

3. Responsibilities of the Management Company

The Management Company is responsible for the preparation of the annexed statement that is free from material misstatement and for the information contained therein.

This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of the annexed statement that is free from material misstatement, whether due to fraud or error. The Management Company is also responsible to ensure that the financial arrangements and transactions having Shariah implications entered into by the Fund are in substance and their legal form are in compliance with the Shariah principles specified in the Trust Deed and guidelines issued by the Shariah Advisor.

4. Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial information, and other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements professional standards and applicable legal and regulatory requirements.

5. Our responsibilities

Our responsibility is to examine the annexed statement and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance



INDEPENDENT AUDITOR'S REPORT

To the participants of HBL Islamic Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **HBL Islamic Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement and statement of comprehensive income, the statement of cash flows, the statement of movement in participants' sub funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Fund Manager) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of The Fund Manager and Those Charged with Governance for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the The Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the The Fund Manager are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the The Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Fund Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of The Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the year ended June 30, 2022 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary The System Rules, 2005 including the guidelines thereunder;



YOUSUF ADIL

Yousuf Adil
Chartered Accountants

- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary The System Rules, 2005;
- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.


Chartered Accountants

Place: Karachi

Date: September 28, 2022

UDIN: AR202210057emgyQY98t

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

HBL ISLAMIC PENSION FUND
Statement of Assets and Liabilities
As at June 30, 2022

	Note	2022				2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees in '000) -----				----- (Rupees in '000) -----			
ASSETS									
Bank balances	5	4,065	88,713	88,027	180,805	10,208	39,787	50,267	100,262
Investments	6	127,886	20,842	10,000	158,728	188,120	47,124	14,628	249,872
Dividend and profit receivable	7	187	2,017	1,815	4,019	69	1,019	713	1,801
Deposits and other receivable	8	2,780	142	114	3,036	2,693	294	133	3,120
TOTAL ASSETS		134,918	111,714	99,956	346,588	201,090	88,224	65,741	355,055
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager	9	368	72	45	485	266	135	99	500
Payable to Central Depository Company of Pakistan Limited - Trustee	10	24	17	15	56	29	14	11	54
Payable to Securities and Exchange Commission of Pakistan	11	44	24	19	87	40	21	17	78
Accrued expenses and other liabilities	12	1,380	715	522	2,617	4,722	1,210	1,095	7,027
TOTAL LIABILITIES		1,816	828	601	3,245	5,057	1,380	1,222	7,659
NET ASSETS		133,102	110,886	99,355	343,343	196,033	86,844	64,519	347,396
PARTICIPANTS' SUB FUNDS (AS PER STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)		133,102	110,886	99,355	343,343	196,033	86,844	64,519	347,396
Contingencies and commitments	18								
		----- Number of units -----				----- Number of units -----			
Number of units in issue	14	376,992	591,819	544,634	1,513,445	421,065	504,466	384,622	1,310,153
		----- Rupees -----				----- Rupees -----			
Net assets value per unit		353.0630	187.3649	182.4250		465.5652	172.1510	167.7456	

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC PENSION FUND

Income Statement and Statement of Comprehensive Income

For the year ended June 30, 2022

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
INCOME	(Rupees in '000)				(Rupees in '000)			
Dividend income	6,893	-	-	6,893	6,025	-	-	6,025
Profit on bank deposits	205	5,324	5,913	11,442	308	2,619	3,267	6,194
Profit / return on investments	15	-	3,928	1,506	5,434	-	3,010	1,065
Net (loss) / gain on sale of investments		(26,585)	160	91	(26,334)	19,927	3	(84)
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.6	(23,979)	9	-	(23,970)	23,000	409	74
Total (loss) / income		(43,466)	9,421	7,510	(26,535)	49,260	6,041	4,322
EXPENSES								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	3,862	1,264	903	6,029	2,722	1,395	1,135	5,252
Remuneration of Central Depository Company of Pakistan Limited - Trustee	298	160	127	585	273	140	114	527
Annual fee to Securities and Exchange Commission of Pakistan	44	24	19	87	40	21	17	78
Auditors' remuneration	16	212	97	78	387	200	104	83
Settlement and bank charges		53	43	40	136	52	31	41
Fee and subscriptions		508	44	33	585	222	-	222
Charity expense		333	-	-	333	270	-	270
Security transactions cost		570	-	-	570	674	-	674
Total expenses		5,880	1,632	1,200	8,712	4,453	1,691	7,534
Net (loss) / income from operating activities		(49,346)	7,789	6,310	(35,247)	44,807	4,350	2,932
Reversal / (Provision) for Sindh Workers' Welfare Fund	19	3,077	381	282	3,740	(879)	(85)	(58)
Net (loss) / income for the year before taxation		(46,269)	8,170	6,592	(31,507)	43,928	4,265	2,874
Taxation	17	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation		(46,269)	8,170	6,592	(31,507)	43,928	4,265	2,874
Other comprehensive income								
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year		(46,269)	8,170	6,592	(31,507)	43,928	4,265	2,874

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC PENSION FUND
Statement of Movement in Participants' Funds
For the year ended June 30, 2022

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)							
Net assets at beginning of the year	196,033	86,844	64,519	347,396	123,319	71,853	52,127	247,299
Amount received on issuance of units	142,354	140,240	139,161	421,755	169,075	129,931	125,684	424,690
Amount paid on redemption of units	(163,350)	(120,856)	(110,095)	(394,301)	(133,832)	(124,040)	(117,788)	(375,660)
Reallocation among funds	4,334	(3,512)	(822)	-	(6,457)	4,835	1,622	-
	(16,662)	15,872	28,244	27,454	28,786	10,726	9,518	49,030
Net (loss) / gain on sale of investments	(26,585)	160	91	(26,334)	19,927	3	(84)	19,846
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss	(23,979)	9	-	(23,970)	23,000	409	74	23,483
Other net income for the year	4,295	8,001	6,501	18,797	1,001	3,853	2,884	7,738
Total comprehensive (loss) / income for the year	(46,269)	8,170	6,592	(31,507)	43,928	4,265	2,874	51,067
Net assets at end of the year	133,102	110,886	99,355	343,343	196,033	86,844	64,519	347,396
Net assets value per unit at beginning of the year	465.5652	172.1510	167.7456		343.4056	163.5160	160.7700	
Net assets value per unit at end of the year	353.0630	187.3649	182.4250		465.5652	172.1510	167.7456	

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC PENSION FUND

Cash Flow Statement

For the year ended June 30, 2022

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOW FROM OPERATING ACTIVITIES								
Net (loss) / income for the year before taxation	(46,269)	8,170	6,592	(31,507)	43,928	4,265	2,874	51,067
Adjustments for:								
Net loss / (gain) on sale of investments	26,585	(160)	(91)	26,334	(19,927)	(3)	84	(19,846)
Net unrealized loss / (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	23,979	(9)	-	23,970	(23,000)	(409)	(74)	(23,483)
Dividend income	(6,893)	-	-	(6,893)	(6,025)	-	-	(6,025)
Profit on bank deposits	(205)	(5,324)	(5,913)	(11,442)	(308)	(2,619)	(3,267)	(6,194)
Profit from investments	-	(3,928)	(1,506)	(5,434)	-	(3,010)	(1,065)	(4,075)
(Reversal) / Provision for Sindh Workers' Welfare Fund	(3,077)	(381)	(282)	(3,740)	879	85	58	1,022
	(5,880)	(1,632)	(1,200)	(8,712)	(4,453)	(1,691)	(1,390)	(7,534)
Decrease / (increase) in assets								
Investments - net	9,670	26,451	4,719	40,840	(24,384)	(32,027)	(12,685)	(69,096)
Deposits and other receivable	(87)	152	19	84	(2,500)	255	-	(2,245)
	9,583	26,603	4,738	40,924	(26,884)	(31,772)	(12,685)	(71,341)
(Decrease) / increase in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	102	(63)	(54)	(15)	62	29	31	122
Payable to Central Depository Company of Pakistan Limited - Trustee	(5)	3	4	2	12	3	4	19
Payable to Securities and Exchange Commission of Pakistan	4	3	2	9	2	1	2	5
Accrued expenses and other liabilities	(265)	(114)	(291)	(670)	(2,918)	114	295	(2,509)
	(164)	(171)	(339)	(674)	(2,842)	147	332	(2,363)
Dividend received	6,945	-	-	6,945	5,990	-	-	5,990
Mark-up received on bank deposits	35	4,296	4,979	9,310	340	2,396	3,072	5,808
Mark-up received on investments	-	3,958	1,338	5,296	-	2,834	937	3,771
Net cash generated / (used in) from operating activities	10,519	33,054	9,516	31,538	(27,849)	(28,086)	(9,734)	(81,238)
CASH FLOW FROM FINANCING ACTIVITIES								
Amount received on issue of units	142,354	140,240	139,161	421,755	169,075	129,931	125,684	424,690
Amount paid on redemption of units	(163,350)	(120,856)	(110,095)	(394,301)	(133,832)	(124,040)	(117,788)	(375,660)
Reallocation among funds	4,334	(3,512)	(822)	-	(6,457)	4,835	1,622	-
Net cash (used in) / generated from financing activities	(16,662)	15,872	28,244	27,454	28,786	10,726	9,518	49,030
Net (decrease) / increase in cash and cash equivalents during the year	(6,143)	48,926	37,760	58,992	937	(17,360)	(216)	(32,208)
Cash and cash equivalents at beginning of the year	10,208	39,787	50,267	100,262	9,271	57,147	50,483	116,901
Cash and cash equivalents at end of the year	4,065	88,713	88,027	180,805	10,208	39,787	50,267	100,262

The annexed notes from 1 to 27 form an integral part of this financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

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 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(the Equity Sub-Fund), HBL Islamic Pension Fund - Debt Sub-Fund(the Debt Sub-Fund) and HBL Islamic Pension Fund - Money Market Sub-Fund(the 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 consist of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the assets in the sub-fund shall be invested in debt securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating. 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 windows 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.

VIS Credit Rating Agency has assigned management quality rating of 'AM2++' as at December 31, 2021 (June 2021:AM2++) 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.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 directives issued under the Companies Act, 2017.

Where provisions of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the requirements of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about the carrying values of assets and liabilities that are not readily apparent from other sources actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (a) classification and measurement of financial assets (Note 4.2.1.1)
- (b) impairment of financial assets (Note 4.2.1.3)
- (c) provisions (Note 4.8)

2.3 Basis of Measurement

This financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

This financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. All amounts have been rounded off to the nearest thousands of Rupees, unless otherwise indicated.

3. APPLICATION ON NEW PROVISION AMENDMENTS AND IFRS INTERPRETATIONS TO THE PUBLISHED APPROVED EXECUTING STANDARDS

a) New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

**Effective from Accounting period
beginning on or after**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

January 01, 2021

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021

April 01, 2021

b) New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

**Effective from Accounting period
beginning on or after**

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all periods presented in this financial statements

4.1 Cash and cash equivalents

Cash comprises savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 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. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.2.1 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.

4.2.1.1 Classification and measurement of financial assets

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. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (FVTOCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at fair value through profit or loss (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.

4.2.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

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 rates) which are based on the remaining tenor of the securities.

Basis of valuation of debt securities:

The fair value of debt securities (other than government debt securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (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.

4.2.1.3 Impairment of financial assets

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.

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.

4.2.1.4 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.

4.2.2 Financial liabilities

4.2.2.1 Classification and measurement of financial liabilities

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.

4.2.2.2 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.

4.2.2.3 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.2.4 Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the statement of assets and liabilities if the Fund has a legal right to set off the transaction and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the applications received by the Fund during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Pension Fund Manager.

Units redeemed are recorded at the redemption price, applicable to units for which the Fund receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.4 Net asset value per unit

The net assets value per unit disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.5 Revenue recognition

- Capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Unrealised gain / (loss) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the 'income statement' in the period in which they arise.
- Dividend income is recognised when the right to receive the dividend is established.
- Markup / return on government securities are recognised at effective profit rates based on a time proportion basis using the effective interest method.
- Profit on bank deposit is recognised on a time proportionate basis using bank's approved rates.

4.6 Expenses

All expenses including remuneration to Pension Fund Manager and Trustee, annual fee to the SECP and selling and marketing expense are recognised in the income statement on an accrual basis.

4.7 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.

4.8 Provisions

Provisions are recognised when the Fund has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and reliable estimate of the amount can be made. Provision are reviewed at each reporting date and are adjusted to reflect the current best estimate.

4.9 Derivatives

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

4.10 Distribution to the unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the MUFAP guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Pension Fund Manager.

4.11 Earnings per unit (EPU)

Earnings Per Unit (EPU) has not been disclosed as in the opinion of the Pension Fund Manager, determination of weighted average units for calculating EPU is not practicable.

5. BANK BALANCES

	Note	2022				2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Savings accounts	5.1	4,065	88,713	88,027	180,805	10,208	39,787	50,267	100,262

5.1 This includes balances of Rs.0.097 million, Rs.0.503 million & Rs.0.478 million (2021:Rs. 6.619 million, Rs. 16.373 million & Rs. 11.961 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party) and these accounts carry profit at the rates of 5.50% to 13.43% (2021: 5.23%) respectively. Other PLS accounts of the Fund carry profit at the rates of 5.00% to 16.25% (2021: 5.5% to 8.65%) per annum.

6. INVESTMENTS

	Note	2022				2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
At fair value through profit or loss									
Listed equity securities	6.1	127,886	-	-	127,886	188,120	-	-	188,120
Government of Pakistan - Ijara sukuks	6.2	-	-	-	-	-	36,906	11,654	48,560
Corporate sukuk bonds	6.3	-	20,842	10,000	30,842	-	10,218	-	10,218
Commercial papers	6.4	-	-	-	-	-	-	2,974	2,974
		127,886	20,842	10,000	158,728	188,120	47,124	14,628	249,872

6.1 Listed equity securities

Held by Equity Sub-Fund

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue/(Share Adjustment)	Sales during the year	As at June 30 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as : percentage of total investment: of the sub-fund	Market value as : percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise										
	(Number of shares)					(Rupees in '000)		(%)		
AUTOMOBILE ASSEMBLER										
Pak Suzuki Motor Company Limited	8,000	-	-	8,000	-	-	-	0.00%	0.00%	0.00%
Ghandhara Industries Limited	-	2,500	-	2,500	-	-	-	0.00%	0.00%	0.00%
	8,000	2,500	-	10,500	-	-	-	0.00%	0.00%	0.00%
AUTOMOBILE PARTS & ACCESSORIES										
Panther Tyres Limited	29,076	-	-	29,076	-	-	-	0.00%	0.00%	0.00%
	29,076	-	-	29,076	-	-	-	0.00%	0.00%	0.00%
CEMENT										
Attock Cement Limited	27,000	40,900	-	7,500	60,400	9,332	4,017	3.14%	3.02%	0.04%
Kohat Cement Limited	18,300	6,100	-	14,500	9,900	1,971	1,288	1.01%	0.97%	0.00%
Lucky Cement Limited	18,500	5,520	-	18,900	5,120	4,214	2,350	1.84%	1.77%	0.00%
D.G. Khan Cement Company Limited	40,000	-	-	40,000	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited	13,100	-	-	13,100	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	22,000	2,500	-	24,500	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	-	40,000	-	40,000	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	121,000	303,500	-	340,500	84,000	3,150	2,297	1.80%	1.73%	0.01%
	259,900	398,520	-	499,000	159,420	18,667	9,952	7.79%	7.49%	0.05%
CHEMICAL										
Engro Polymer & Chemicals Limited	-	118,500	-	86,000	32,500	2,706	2,588	2.02%	1.94%	0.00%
Descon Oxychem Limited	-	124,500	-	124,500	-	-	-	0.00%	0.00%	0.00%
Nimir Resins Limited*	100,000	74,000	(50,000)	124,000	-	-	-	0.00%	0.00%	0.00%
	100,000	317,000	(50,000)	334,500	32,500	2,706	2,588	2.02%	1.94%	0.00%

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue/(Share Adjustment)	Sales during the year	As at June 30 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investment of the sub-fund	Market value as a percentage of assets of sub-fund	Par value as a percentage of issued capital of the investee company
	----- (Number of shares) -----				----- (Rupees in '000) -----		----- (%) -----			
COMMERCIAL BANKS										
Bank Islami Pakistan Limited	218,000	172,000	-	155,000	235,000	2,884	2,829	2.21%	2.13%	0.02%
Meezan Bank Limited	78,555	49,700	11,033	35,500	103,788	11,896	11,726	9.17%	8.81%	0.01%
	296,555	221,700	11,033	190,500	338,788	14,780	14,555	11.38%	10.94%	0.03%
ENGINEERING										
Mughal Iron and Steel Industries Limited	37,120	44,300	9,018	45,000	45,438	4,184	2,619	2.05%	1.97%	0.01%
International Industries Limited	13,200	-	-	13,200	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	29,500	-	-	29,500	-	-	-	0.00%	0.00%	0.00%
Aisha Steel Mill Limited	67,000	-	-	67,000	-	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	-	46,000	-	46,000	-	-	-	0.00%	0.00%	0.00%
Agha Steel Industries Limited	101,500	65,000	5,075	171,575	-	-	-	0.00%	0.00%	0.00%
	248,320	155,300	14,093	372,275	45,438	4,184	2,619	2.05%	1.97%	0.01%
FERTILIZER										
Engro Fertilizers Limited	-	139,700	-	50,000	89,700	8,041	7,951	6.22%	5.97%	0.01%
Engro Corporation Limited	39,020	72,250	-	62,820	48,450	13,518	12,456	9.74%	9.36%	0.01%
	39,020	211,950	-	112,820	138,150	21,559	20,407	15.96%	15.33%	0.02%
OIL AND GAS EXPLORATION COMPANIES										
Oil & Gas Development Company	148,500	88,250	-	83,163	153,587	13,958	12,083	9.45%	9.08%	0.00%
Pakistan Oilfields Limited	10,200	14,390	-	7,700	16,890	6,618	6,854	5.36%	5.15%	0.01%
Mari Petroleum Company Limited	6,406	1,840	-	3,700	4,546	6,959	7,909	6.18%	5.94%	0.00%
Pakistan Petroleum Limited	155,400	109,900	-	130,007	135,293	10,691	9,134	7.14%	6.86%	0.00%
	320,506	214,380	-	224,570	310,316	38,226	35,980	28.13%	27.03%	0.01%
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited**	41,823	17,200	-	8,000	51,023	10,772	8,768	6.86%	6.59%	0.01%
Sui Northern Gas Pipelines Limited	-	46,500	-	46,500	-	-	-	0.00%	0.00%	0.00%
	41,823	63,700	-	54,500	51,023	10,772	8,768	6.86%	6.59%	0.01%
FOOD AND PERSONAL CARE PRODUCT										
The Organic Meat Company Limited	151,500	7,000	12,450	46,000	124,950	4,166	2,729	2.13%	2.05%	0.10%
Unity Foods Limited	125,500	255,039	-	252,039	128,500	4,213	2,579	2.02%	1.94%	0.01%
Al Shaheer Corporation Limited	-	45,000	-	45,000	-	-	-	0.00%	0.00%	0.00%
	277,000	307,039	12,450	343,039	253,450	8,379	5,308	4.15%	3.99%	0.11%
MISCELLANEOUS										
TPL Properties Limited	-	110,000	-	10,000	100,000	1,919	2,016	1.58%	1.51%	0.02%
	-	110,000	-	10,000	100,000	1,919	2,016	1.58%	1.51%	0.02%
PHARMACEUTICALS										
Ferozsons Laboratories Limited	-	12,500	-	8,000	4,500	1,586	1,210	0.95%	0.91%	0.01%
Highnoon Laboratories Limited	-	6,000	370	4,700	1,670	953	885	0.69%	0.66%	0.00%
Abbott Laboratories Pakistan Limited	-	3,900	-	3,900	-	-	-	0.00%	0.00%	0.00%
Searle Pakistan Limited**	282	15,570	84	-	15,936	2,235	1,738	1.36%	1.31%	0.01%
	282	37,970	454	16,600	22,106	4,774	3,833	3.00%	2.88%	0.02%
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Limited	109,431	15,000	-	63,000	61,431	4,686	4,188	3.27%	3.15%	0.00%
	109,431	15,000	-	63,000	61,431	4,686	4,188	3.27%	3.15%	0.00%
TEXTILE COMPOSITE										
Interloop Limited	57,445	-	1,723	9,000	50,168	3,411	3,060	2.39%	2.30%	0.01%
Kohinoor Textile Mills Limited	52,500	-	-	25,000	27,500	2,068	1,375	1.08%	1.03%	0.01%
Nishat Mills Limited	25,500	15,900	-	-	41,400	3,839	3,060	2.39%	2.30%	0.01%
	135,445	15,900	1,723	34,000	119,068	9,318	7,495	5.86%	5.63%	0.03%
CABLE AND ELECTRICAL GOODS										
Waves Singer Pakistan Limited	71,000	59,000	-	130,000	-	-	-	0.00%	0.00%	0.00%
Pak Elektron Limited	52,500	94,200	-	146,700	-	-	-	0.00%	0.00%	0.00%
	123,500	153,200	-	276,700	-	-	-	0.00%	0.00%	0.00%
REFINERY										
Attock Refinery Limited	7,000	25,500	-	6,500	26,000	4,626	4,570	3.57%	3.43%	0.02%
National Refinery Limited	9,000	4,380	-	5,610	7,770	2,984	1,962	1.53%	1.47%	0.01%
	16,000	29,880	-	12,110	33,770	7,610	6,532	5.10%	4.90%	0.03%

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue/(Share Adjustment)	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as : percentage of total investment: of the sub-fund	Market value as : percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise										
	------(Number of shares)-----					----- (Rupees in '000) -----		-----(%)-----		
TECHNOLOGY & COMMUNICATION										
Avanceon Limited	22,800	16,300	2,325	27,000	14,425	1,224	1,124	0.88%	0.84%	0.00%
Systems Limited	5,610	7,300	5,860	18,770	-	-	-	0.00%	0.00%	0.00%
Air Link Communication Limited	-	81,750	1,893	83,643	-	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited	-	291,500	-	-	291,500	3,061	2,521	1.97%	1.89%	0.16%
TRG Pakistan	-	29,000	-	29,000	-	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited	-	19,877	-	19,877	-	-	-	0.00%	0.00%	0.00%
	28,410	445,727	10,078	178,290	305,925	4,285	3,645	2.85%	2.73%	0.16%
GLASS AND CERAMICS										
Shabbir Tiles and Ceramics Limited	-	28,500	-	28,500	-	-	-	0.00%	0.00%	0.00%
	-	28,500	-	28,500	-	-	-	0.00%	0.00%	0.00%
TRANSPORT										
Millat Tractors Limited	3,387	1,580	677	5,644	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars Pakistan Limited	9,500	-	-	9,500	-	-	-	0.00%	0.00%	0.00%
	12,887	1,580	677	15,144	-	-	-	0.00%	0.00%	0.00%
Total as at June 30, 2022	2,046,155	2,729,846	508	2,805,124	1,971,385	151,865	127,886			
Total as at June 30, 2021	1,861,114	3,143,996	12,988	2,971,943	2,046,155	165,120	188,120			

* Nimir Resins Limited has consolidated its shares during the year i.e increase in face value of shares from Rs.5 each to Rs.10 each as per reference letter 1134-NRL-PSX-07-2021 dated July 19, 2021 to the Pakistan Stock Exchange Limited.

** Finance Act, 2014 had brought amendments to the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Fund jointly with other asset management companies and MUFAP, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 0.08 million at June 30, 2022 and not yet deposited on CDC account of department of Income tax. Pension Fund Manager is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Sub-Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	----- (Number of shares) -----		----- (Rupees in '000) -----	
The Hub Power Company Limited	47,000	28,431	3,204	4,310
Pakistan Petroleum Limited	80,000	105,400	5,401	6,373
Maple Leaf Cement Factory Limited	77,000	-	2,106	-
Mughal Iron And Steel Industries Limited	40,000	-	2,306	-
Nishat Mills Limited	10,000	-	739	-
Oil & Gas Development Company	123,000	-	9,676	-
Pakistan State Oil Company Limited	20,000	-	3,437	-
	397,000	133,831	26,869	10,683

6.2 Government of Pakistan - Ijarah sukuk

6.2.1 Held by Debt Sub-Fund

Issue Date	Tenor	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of	
		As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022			Total investments of sub-fund	Net assets of sub-fund
						(Rupees in '000)		(%)	
April 30, 2020	5 Years	38,000	-	38,000	-	-	-	0.00%	0.00%
October 29, 2021	5 Years	-	44,500	44,500	-	-	-	0.00%	0.00%
April 27, 2022	5 Years	-	35,000	35,000	-	-	-	0.00%	0.00%
Total as at June 30, 2022		38,000	79,500	117,500	-	-	-	0.00%	0.00%
Total as at June 30, 2021		-	38,000	-	38,000	36,587	36,906	78.32%	42.50%

6.2.2 Held by Money Market Sub-Fund

Issue Date	Tenor	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of	
		As at July 1, 2021	Purchases during the year	Sales during the year	As at June 30, 2022			Total investments of sub-fund	Net assets of sub-fund
						(Rupees in '000)		(%)	
April 30, 2020	5 Years	12,000	-	12,000	-	-	-	0.00%	0.00%
October 29, 2021	5 Years	-	11,500	11,500	-	-	-	0.00%	0.00%
April 27, 2022	5 Years	-	16,000	16,000	-	-	-	0.00%	0.00%
Total as at June 30, 2022		12,000	27,500	39,500	-	-	-	0.00%	0.00%
Total as at June 30, 2021		-	34,000	22,000	12,000	11,580	11,654	79.67%	18.06%

HBL ISLAMIC PENSION FUND

Notes to the Financial Statements

For the year ended June 30, 2022

6.3 Corporate sukuk bonds

6.3.1 Held by Debt Sub-Fund

Name of the Investee Company

Name of the Investee Company	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of	
	As at July 1, 2021	Purchases during the year	Sales / matured during the year	As at June 30, 2022			Total investments of sub-fund	Net assets of sub-funds
	(Number of certificates)				(Rupees in '000)		(%)	
FERTILIZERS								
Fatima Fertilizers Company Limited**	357	-	357	-	-	-	0%	0.00%
	357	-	357	-	-	-	0.00%	0.00%
POWER GENERATION & DISTRIBUTION								
Water and Power Development Authority**	474	-	474	-	-	-	0.00%	0.00%
K-Electric Limited**	1,550	-	1,550	-	-	-	0.00%	0.00%
Hub Power Company Limited - 190320*	50	-	-	50	5,120	5,144	24.68%	4.64%
Hub Power Company Limited - 021121**	-	6	6	-	-	-	0.00%	0.00%
Hub Power Company Limited - 270422**	-	40	-	40	4,000	4,000	19.19%	3.61%
	2,074	46	2,030	90	9,120	9,144	24.68%	4.64%
PHARMACEUTICALS								
AGP Limited	24	-	24	-	-	-	0.00%	0.00%
	24	-	24	-	-	-	0.00%	0.00%

Name of the Investee Company

Name of the Investee Company	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of	
	As at July 1, 2021	Purchases during the year	Sales / matured during the year	As at June 30, 2022			Total investments of sub-fund	Net assets of sub-funds
	(Number of certificates)				(Rupees in '000)		(%)	
TECHNOLOGY & COMMUNICATION								
TPL Trakker Limited**	1	-	-	1	853	837	4.02%	0.75%
	1	-	-	1	853	837	4.02%	0.75%
MISCELLANEOUS								
International Brands Limited**	20	-	20	-	-	-	0.00%	0.00%
Agha Steel Industries Limited*	1	-	-	1	860	901	4.32%	0.81%
OBS AGP**	-	20	-	20	2,000	2,010	9.64%	1.81%
Pak Elektron Limited**	-	8	-	8	8,000	7,950	38.14%	7.17%
	21	28	20	29	10,860	10,861	52.10%	9.79%
Total as at June 30, 2022	2,477	74	2,431	120	20,833	20,842	80.80%	15.18%
Total as at June 30, 2021	2,506	10	30	2,486	10,128	10,218		

*Listed

**Unlisted

6.3.2 Held by Money Market Sub-Fund

Name of the Investee Company

Name of the Investee Company	Face value				Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of	
	As at July 1, 2021	Purchases during the year	Sales / matured during the year	As at June 30, 2022			Total investments of sub-fund	Net assets of sub-funds
	(Number of certificates)				(Rupees in '000)		(%)	
POWER GENERATION & DISTRIBUTION								
Hub Power Company Limited - 021121**	-	9	9	-	-	-		
K-Electric Limited**	-	10	-	10	10,000	10,000	100%	10%
Total as at June 30, 2022	-	19	9	10	10,000	10,000	100%	10%
Total as at June 30, 2021	-	-	-	-	-	-	0%	0%

*Listed

**Unlisted

6.3.3 Significant terms and conditions of corporate sukuk bonds outstanding as at June 30, 2022 are as follows:

Name of security	Remaining principal value Rupees per Sukul	Mark-up rate (per annum)	Issue date	Maturity date
Agha Steel Industries Limited - Sukuk	875,000	3 months KIBOR + 0.8%	9-Oct-18	9-Oct-25
Hub Power Company Limited - 190320	100,000	6 months KIBOR + 1.9%	19-Mar-20	19-Mar-24
TPL Trakker Limited	833,333	3 months KIBOR + 3%	30-Mar-21	30-Mar-26
OBS AGP (Private) Limited	100,000	3 months KIBOR + 1.55%	15-Jul-21	15-Jul-26
Pak Elektron Limited	1,000,000	3 months KIBOR + 1.3%	15-Nov-21	15-Nov-23
Hub Power Company Limited - 270422	100,000	6 months KIBOR + 1%	27-Apr-22	27-Oct-22
K-Electric Limited	1,000,000	6 months KIBOR + 0.95%	13-Apr-22	13-Oct-22

6.4 Commercial papers

6.4.1 Held by Debt Sub-Fund

Name of Company	Maturity date	Face value					Market value as at June 30, 2022	Total investments of sub-fund	Net Assets of sub-fund
		As at July 1, 2021	Placements made during the year	Matured during the year	As at June 30, 2022	Carrying amount as at June 30, 2022			
----- (Rupees in '000) -----									
K-Electric Limited	January 23, 2022	-	7,000	7,000	-	-	-	0%	0%
K-Electric Limited	April 7, 2022	-	1,000	1,000	-	-	-	0%	0%
K-Electric Limited	May 3, 2022	-	2,000	2,000	-	-	-	0%	0%
Total as at June 30, 2022		-	10,000	10,000	-	-	-	0%	0%
Total as at June 30, 2021		-	-	-	-	-	-	0%	0%

6.4.2 Held by Money Market Sub-Fund

Name of Company	Maturity date	Face value					Market value as at June 30, 2022	Total investments of sub-fund	Net Assets of sub-fund
		As at July 1, 2021	Placements made during the year	Matured during the year	As at June 30, 2022	Carrying amount as at June 30, 2022			
----- (Rupees in '000) -----									
K-Electric Limited	August 10, 2021	3,000	-	3,000	-	-	-	0%	0%
K-Electric Limited	January 23, 2022	-	2,000	2,000	-	-	-	0%	0%
K-Electric Limited	March 21, 2022	-	6,000	6,000	-	-	-	0%	0%
Total as at June 30, 2022		3,000	8,000	11,000	-	-	-	0%	0%
Total as at June 30, 2021		2,000	3,000	2,000	3,000	2,974	2,974	20.33%	4.61%

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

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
Market value of investments	127,886	20,842	10,000	158,728	188,120	47,124	14,628	249,872
Less: carrying value of investments before mark to market	(151,865)	(20,833)	(10,000)	(182,698)	(165,120)	(46,715)	(14,554)	(226,389)
	(23,979)	9	-	(23,970)	23,000	409	74	23,483
6.6.1 Listed equity securities	(23,979)	-	-	(23,979)	23,000	-	-	23,000
Government and Debt securities	-	9	-	9	-	409	74	483
	(23,979)	9	-	(23,970)	23,000	409	74	23,483

7. DIVIDEND AND PROFIT RECEIVABLE

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
Dividend receivable	-	-	-	-	52	-	-	52
Profit receivable on bank deposits	187	1,454	1,519	3,160	17	426	585	1,028
Profit accrued on sukuk bonds	-	563	296	859	-	593	128	721
	187	2,017	1,815	4,019	69	1,019	713	1,801

8. DEPOSITS AND OTHER RECEIVABLES

Security Deposit with Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
Security deposit with National Clearing Company of Pakistan Limited	2,500	-	-	2,500	2,500	-	-	2,500
Receivable of principal redemption	-	-	-	-	-	125	-	125
Receivable against sale of investment	80	-	-	80	-	-	-	-
Advance Tax	100	42	14	156	93	69	33	195
	2,780	142	114	3,036	2,693	294	133	3,120

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

Remuneration to Pension Fund Manager	9.1	326	64	40	430	229	111	87	427
Sindh Sales Tax on remuneration to Pension Fund Manager	9.2	42	8	5	55	30	14	11	55
Sales load payable		-	-	-	-	7	10	1	18
		368	72	45	485	266	135	99	500

- 9.1 As per Rule 11 of the Voluntary Pension System Rules, 2005, the Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the fee is being charged at the rate ranging from 0.4% to 1.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.
- 9.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (2021: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

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

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Trustee remuneration	21	15	13	49	26	12	10	48
Sindh Sales Tax on Trustee remuneration	3	2	2	7	3	2	1	6
	24	17	15	56	29	14	11	54

- 10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2022 is as follows:

Net assets	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% of NAV exceeding Rs. 6,000 million

- 10.2 Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth of 1% (June 30, 2021: one thirtieth of 1%) of average annual net asset value of each of the sub-fund.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Auditors' remuneration	128	69	56	253	128	67	54	249
Payable against purchase of investments	-	-	-	-	252	-	-	252
Federal Excise Duty payable on Remuneration of Pension Fund Manager	880	488	383	1,751	880	488	383	1,751
Provision for Sindh Workers' Welfare Fund	-	-	-	-	3,077	381	282	3,740
Payable against redemption of units	-	-	-	-	16	122	-	138
Other payable	372	158	83	613	369	152	376	897
	1,380	715	522	2,617	4,722	1,210	1,095	7,027

12.1 FEDERAL EXCISE DUTY

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Management Company has been applied effective from June 13, 2013. The Management Company is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the MUFAP along-with Central Depository Company of Pakistan Limited with the Sindh High Court (SHC) on September 04, 2013.

While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The Finance Act, 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the year ended June 30, 2022.

However, since the appeal is pending in Supreme Court of Pakistan, the Management Company, has made a provision on FED on remuneration of the Pension Fund Manager, aggregating to Rs. 0.880 million, Rs. 0.488 million and Rs. 0.383 million (2021: 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 June 30, 2022 would have been higher by Rs. 2.3343, Rs. 0.8246 and Rs. 0.7032 (2021: Rs. 2.0899 Rs. 0.9674 and Rs. 0.9958) per unit respectively.

12.2 PROVISION FOR SINDH WORKERS' WELFARE FUND

The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them.

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

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

The Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 3.077 million, Rs. 0.381 million, Rs. 0.282 million of under Equity Sub Fund, Debt Sub Fund & Money Market Sub Fund respectively.

12.3 In accordance with the instruction of Shariah Advisor, any income earned by the Fund from investments whereby the portion of the investment of the investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund. The other payable included Rs. 0.334 million (2021: Rs. 0.363 million) amount of charity.

13. CONTRIBUTION TABLE

Contributions received during the year are as follows:

	2022							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
From:								
Individuals	343,358	142,354	777,335	140,240	794,149	139,161	1,914,842	421,755

	2021							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
From:								
Individuals	387,366	169,075	770,040	129,931	761,423	125,684	1,918,829	424,690

14. NUMBER OF UNITS IN ISSUE

	2022				2021			
	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	421,065	504,466	384,622	1,310,153	359,107	439,427	324,233	1,122,767
Units issued during the year	343,358	777,335	794,149	1,914,842	387,366	770,040	761,423	1,918,829
Units redeemed during the year	(397,878)	(670,538)	(629,463)	(1,697,879)	(310,319)	(733,523)	(710,820)	(1,754,662)
Reallocation during the year	10,447	(19,444)	(4,674)	(13,671)	(15,089)	28,522	9,786	23,219
Total units in issue at the end of the year	376,992	591,819	544,634	1,513,445	421,065	504,466	384,622	1,310,153

15. PROFIT / RETURN ON INVESTMENTS

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Profit / return on:								
Government of Pakistan -Ijarah sukuks	-	1,397	438	1,835	-	1,696	797	2,493
Corporate sukuk bonds	-	2,125	730	2,855	-	1,313	129	1,442
Commercial papers	-	406	338	744	-	-	139	139
	-	3,928	1,506	5,434	-	3,009	1,065	4,074

16. AUDITOR'S REMUNERATION

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Statutory audit fee	101	56	42	199	101	64	45	210
Half yearly review fee	40	26	24	90	43	23	24	90
Shariah compliance certification	37	-	-	37	37	-	-	37
Out of pocket expenses	18	8	6	32	5	9	7	21
Sindh sales tax	16	7	6	29	14	8	7	29
	212	97	78	387	200	104	83	387

17. TAXATION

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

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

18. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2022 and June 30, 2021.

19. TRANSACTIONS BALANCES 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, 2005 and the Trust Deed respectively.

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

19.1 Transactions during the year

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration including Sindh Sales tax thereon	3,862	1,264	903	6,029	2,722	1,395	1,135	5,252
Habib Bank Limited - Sponsor								
Redemption of units	24,799	-	-	24,799	-	-	-	-
Amount of units redeemed	9,000	-	-	9,000	-	-	-	-
Bank charges paid	28	36	33	97	26	21	32	79
Profit on bank deposits earned	52	4,482	4,544	9,078	308	2,551	3,196	6,055
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Issue of units	244	-	-	244	-	-	-	-
Amount of units issued	100	-	-	100	-	-	-	-
Reallocation of units	1,195	(1,887)	(880)	(1,572)	(3,323)	5,750	2,887	5,314
Amount of units reallocated	496	(341)	(155)	-	(1,453)	975	478	-
Executives and their relatives								
Issuance of units	10,160	-	-	10,160	5,375	-	-	5,375
Amount of units issued	3,700	-	-	3,700	2,365	-	-	2,365
Reallocation of units	2	(3)	(1)	(2)	(86)	140	-	54
Amount of units reallocated	0.84	(0.58)	-	-	(3)	(3)	-	-
Central Depository Company of Pakistan Limited - Trustee								
Trustee's remuneration including Sindh Sales tax thereon	298	160	127	585	273	140	114	527
Central Depository System Charges	24	7	7	38	15	7	7	29
Directors of connected persons								
Issue of units	-	-	-	-	24	18	9	51
Amount of units issued	-	-	-	-	10	3	2	15
Reallocation of units	1,392	(3,197)	-	(1,805)	(2,495)	6,436	2	3,943
Amount of units reallocated	577	(577)	-	-	(1,091)	1,091	1	1
Redemption of units	-	-	-	-	-	4	2	6
Amount of units redeemed	-	-	-	-	-	1	1	2

	2021									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At Amortised Cost	At fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----										
Financial assets										
Bank balances	10,208	-	10,208	39,787	-	39,787	50,267	-	50,267	100,262
Investments	-	188,120	188,120	-	47,124	47,124	-	14,628	14,628	249,872
Dividend and accrued mark-up	69	-	69	1,019	-	1,019	713	-	713	1,801
Advances and deposits	2,600	-	2,600	225	-	225	100	-	100	2,925
	12,877	188,120	200,997	41,031	47,124	88,155	51,080	14,628	65,708	354,860

	2021									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	At Amortised Cost	At fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Total	At Amortised Cost	At fair value through profit or loss	Total	
----- (Rupees in '000) -----										
Financial liabilities										
Payable to HBL Asset Management Limited - Pension Fund Manager	229	-	229	111	-	111	87	-	87	427
Payable to Central Depository Company of Pakistan Limited - Trustee	26	-	26	12	-	12	10	-	10	48
Accrued expenses and other liabilities	765	-	765	341	-	341	430	-	430	1,536
	1,020	-	1,020	464	-	464	527	-	527	2,011

21. FINANCIAL RISK MANAGEMENT

Introduction and overview

The Fund has exposure to the following risks from financial instruments:

- Credit risk (refer note 21.1)
- Liquidity risk (refer note 21.2)
- Market risk (refer note 21.3)

Risk management framework

The Board of Directors (the Board) of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

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

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

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

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

21.1 Credit risk

Credit risk is the risk of financial loss to the Fund if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from bank balances, corporate sukuk bonds, dividend and profit receivable and deposit & other receivables.

The carrying amount of financial assets, other than listed equity securities, represents the maximum credit exposure.

Management of credit risk

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

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

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

Exposure to credit risk

The maximum exposure to credit risk as at reporting date was as follows:

	2022					
	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure
	(Rupees '000)					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
Bank balances	4,065	4,065	88,713	88,713	88,027	88,027
Investments	127,886	-	20,842	20,842	10,000	10,000
Dividend and profit receivable	187	187	2,017	2,017	1,815	1,815
Deposits and other receivables	2,680	2,680	100	100	100	100
	134,818	6,932	111,672	111,672	99,942	99,942

	2021					
	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure	Balance as per the statement of asset and liabilities	Maximum exposure
	(Rupees '000)					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
Bank balances	10,208	10,208	39,787	39,787	50,267	50,267
Investments	188,120	188,120	47,124	47,124	14,628	14,628
Receivable of Principal Redemption	-	-	125	125	-	-
Accrued return on bank balances	17	17	426	426	585	585
Dividend receivable	52	52	-	-	-	-
Deposits and other receivable	2,600	2,600	225	225	100	100
	200,997	200,997	87,687	87,687	65,580	65,580

Bank balances including accrued return on bank balances

The analysis below summarises the credit quality of the balances with Banks as at reporting date:

Rating	2022					
	Equity Sub-Fund	Debt Sub-Fund	Money Market St Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market St Fund
	(Rupees in '000)			(%)		
A1+	359	90,060	89,546	8.44%	99.88%	100.00%
A1	3,893	107	-	91.56%	0.12%	0.00%
Total balance including profit due	4,252	90,167	89,546	100%	100%	100%

Rating	2021					
	Equity Sub-Fund	Debt Sub-Fund	Money Market St Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market St Fund
	(Rupees in '000)			(%)		
A1+	7,063	42,309	53,504	67.16%	99.77%	99.95%
A1	3,453	98	29	32.84%	0.23%	0.05%
Total balance including profit due	10,516	42,407	53,533	100%	100%	100%

Above rates are on the basis of available ratings assigned by PACRA and VIS as of the reporting date.

Concentration of credit risk

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

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

	2022					
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
Commercial banks (including profit due)	4,253	97.70%	90,167	80.74%	89,546	89.60%
Government of Pakistan - Ijara Sukuks	-	-	-	0.00%	-	0.00%
Corporate sukuk bonds	-	-	21,405	19.17%	10,296	0.10
Commercial papers	-	-	-	-	-	0.00%
Central Depository Company of Pakistan Limited - security deposit	100	2.30%	100	0.09%	100	0.10%
	4,353	100%	111,672	100%	99,942	100%
	2021					
	Rupees in '000	%	Rupees in '000	%	Rupees in '000	%
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
Commercial banks (including profit due)	10,516	99.06%	42,407	47.31%	53,533	78.42%
Government of Pakistan - Ijara Sukuks	-	-	36,906	41.00%	11,654	17.00%
Corporate sukuk bonds	-	-	10,218	11.40%	-	-
Commercial papers	-	-	-	-	2,974	4.36%
Central Depository Company of Pakistan Limited - security deposit	100	0.94%	100	0.11%	100	0.15%
	10,616	100%	89,631	100%	68,261	100%

Settlement risk

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

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

21.2 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

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

Management of liquidity risk

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

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

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any significant redemptions during the year.

	2022									
	Non contractual cash flows									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
Carrying amount	Less than 1 month	Within 3 months	Carrying amount	Less than 1 month	Within 3 months	Carrying amount	Less than 1 month	Within 3 months		
(Rupees in '000)										
Financial Liabilities										
Payable to HBL Asset Management Limited - Pension Fund Manager	326	326	-	64	64	-	40	40	-	430
Payable to Central Depository Company of Pakistan Limited - Trustee	21	21	-	15	15	-	13	13	-	49
Accrued expenses and other liabilities	500	500	-	227	227	-	139	139	-	866
	<u>847</u>	<u>847</u>	<u>-</u>	<u>306</u>	<u>306</u>	<u>-</u>	<u>192</u>	<u>192</u>	<u>-</u>	<u>1,345</u>
Net assets attributable to redeemable units	<u>133,102</u>	<u>133,102</u>	<u>-</u>	<u>110,886</u>	<u>110,886</u>	<u>-</u>	<u>99,355</u>	<u>99,355</u>	<u>-</u>	<u>1,345</u>
	2021									
	Non contractual cash flows									
	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	Carrying amount	Less than 1 month	Within 3 months	Carrying amount	Less than 1 month	Within 3 months	Carrying amount	Less than 1 month	Within 3 months	
(Rupees in '000)										
Financial Liabilities										
Payable to HBL Asset Management Limited - Pension Fund Manager	229	229	-	111	111	-	87	87	-	427
Payable to Central Depository Company of Pakistan Limited - Trustee	26	26	-	12	12	-	10	10	-	48
Accrued expenses and other liabilities	765	765	-	341	341	-	430	430	-	1,536
	<u>1,020</u>	<u>1,020</u>	<u>-</u>	<u>464</u>	<u>464</u>	<u>-</u>	<u>527</u>	<u>527</u>	<u>-</u>	<u>2,011</u>
Net assets attributable to redeemable units	<u>196,033</u>	<u>196,033</u>	<u>-</u>	<u>86,844</u>	<u>86,844</u>	<u>-</u>	<u>64,519</u>	<u>64,519</u>	<u>-</u>	<u>2,011</u>

The above mentioned financial liabilities do not carry any mark-up.

Units of the Fund are redeemable on demand at the participants' option. However, unit holders typically retain them from medium to long term.

21.3 Currency risk

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

21.4 Interest rate risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts and corporate sukuk bonds. The net income for the year would have increased / (decreased) by Rs. 0.04, 1.09 & 0.98 million (2021: Rs. 0.10, 0.40 & 0.5 million) Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

As at June 30, 2022, the Debt Sub-Fund and Money Market Sub-Fund does not holds any instrument that expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets and net income due to future movements in interest rates.

Yield / Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

	2022																		
	Equity Sub-Fund					Debt Sub-Fund					Money Market Sub-Fund								
	Effective Yield / Interest rate	Exposed to yield / interest rate risk / Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	Effective Yield / Interest rate	Exposed to yield / interest rate risk / Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	Effective Yield / Interest rate	Exposed to yield / interest rate risk / Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	
	(%)	(Rupees in '000)					(%)	(Rupees in '000)					(%)	(Rupees in '000)					
On-balance sheet financial instruments																			
Financial assets																			
Bank balances	5% - 16.25%	4,065	-	-	-	4,065	5% - 16.25%	88,713	-	-	-	88,713	5% - 16.25%	88,027	-	-	-	88,027	180,805
Listed equity securities		-	-	-	127,886	127,886		-	-	-	-		-	-	-	-	-	-	127,886
Corporate sukuk bonds		-	-	-	-	-	8.25% - 16.31%	-	20,842	-	-	20,842	13.98%	-	-	-	-	-	20,842
Dividend and profit receivable		-	-	-	187	187		-	-	-	2,017	2,017		-	-	-	1,815	1,815	4,019
Deposits and other receivable		-	-	-	2,780	2,780		-	-	-	142	142		-	-	-	114	114	3,036
		4,065	-	-	130,853	134,918		88,713	20,842	-	2,159	111,714		88,027	-	-	1,929	89,956	336,588
Financial liabilities																			
Payable to HBL Asset Management Limited - Pension Fund Manager		-	-	-	326	326		-	-	-	64	64		-	-	-	40	40	430
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	21	21		-	-	-	15	15		-	-	-	13	13	49
Accrued expenses and other liabilities		-	-	-	500	500		-	-	-	227	227		-	-	-	139	139	866
		-	-	-	847	847		-	-	-	306	306		-	-	-	192	192	1,345
On-balance sheet gap (a)		4,065	-	-	130,006	134,071		88,713	20,842	-	1,853	111,408		88,027	-	0	1,737	89,764	335,243
Off-balance sheet financial instruments																			
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		4,065	-	-	-	-		88,713	20,842	-	-	-		88,027	-	-	-	-	-
Cumulative interest rate sensitivity gap		4,065	-	-	-	-		88,713	109,555	-	-	-		88,027	-	-	-	-	-

	2021																		
	Equity Sub-Fund					Debt Sub-Fund					Money Market Sub-Fund					Total			
	Exposed to yield / interest rate risk					Exposed to yield / interest rate risk					Exposed to yield / interest rate risk								
	Yield / interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	Yield / interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk	Total	
(%)	(Rupees in '000)				(%)	(Rupees in '000)				(%)	(Rupees in '000)								
On-balance sheet																			
Financial instruments																			
Financial assets																			
Bank balances	3.5% - 6.96%	10,208	-	-	-	10,208	3.25% - 6.91%	39,787	-	-	-	39,787	3.94% - 6.61%	50,267	-	-	-	50,267	100,262
Listed equity securities		-	-	-	188,120	188,120		-	-	-	-	-		-	-	-	-	-	188,120
Government of Pakistan - Ijara Sukuks		-	-	-	-	-		-	-	36,906	-	36,906	6.396%	-	-	11,654	-	11,654	48,560
Term finance certificates and sukuk bonds		-	-	-	-	-		-	3,214	7,004	-	10,218		-	-	-	-	-	10,218
Commercial papers		-	-	-	-	-		-	-	-	-	-	7.90%	2,974	-	-	-	2,974	2,974
Dividend and accrued mark-up		-	-	-	69	69		-	-	-	1,019	1,019		-	-	-	713	713	1,801
Advances and deposits		-	-	-	2,693	2,693		-	-	-	294	294		-	-	-	133	133	3,120
		10,208	-	-	190,882	201,090		39,787	3,214	43,910	1,313	88,224		53,241	-	11,654	846	65,741	355,055
Financial liabilities																			
Payable to HBL Asset Management Limited		-	-	-	229	266		-	-	-	111	135		-	-	-	87	99	500
Pension Fund Manager		-	-	-	26	29		-	-	-	12	14		-	-	-	10	11	54
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	765	765		-	-	-	341	341		-	-	-	430	430	1,536
Accrued expenses and other liabilities		-	-	-	1,020	1,060		-	-	-	464	490		-	-	-	527	540	2,090
On-balance sheet gap (a)		10,208	-	-	189,862	200,030		39,787	3,214	43,910	849	87,734		53,241	-	11,654	319	65,201	352,965
Off-balance sheet																			
financial instruments																			
Off-balance sheet gap		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		10,208	-	-	189,862	200,030		39,787	3,214	43,910	849	87,734		53,241	-	11,654	319	65,201	352,965
Cumulative interest rate sensitivity gap		10,208	-	-	189,862	200,030		39,787	3,214	43,910	849	87,734		53,241	-	11,654	319	65,201	352,965

22. Price Risk

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

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

The Fund's overall market positions are monitored on a quarterly basis by the Board of the Pension Fund Manager.

Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 6 to this financial statements. The Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the PSX 100 index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The net assets of the Fund will increase / decrease by approximately Rs. 1.28 million (2021: Rs. 1.88 million) if the prices of equity vary due to increase / decrease in the PSX 100 index. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the PSX 100 index and that the PSX 100 index increases / decreases by 1% on PSX 100 index with all other factors held constant.

The Pension Fund Manager uses the PSX 100 index as a reference point in making investment decisions. However, the pension fund manager does not manage the Fund's investment strategy to track the PSX 100 index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 30 June 2022 and the historical correlation of the securities comprising the portfolio of the PSX 100 index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2022 is not necessarily indicative of the effect on the Fund's net assets attributed to units of future movements in the level of the PSX 100 Index.

23. PARTICIPANTS' FUNDS RISK MANAGEMENT (CAPITAL RISK)

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 22, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with long term objective, the possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

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

24. 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 Fund 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 IFRS 7, Financial Instruments: Disclosure - 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) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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					
		2022					
Note	At fair value through profit or loss	Carrying amount			Fair value		
		At amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in'000) -----							
Financial assets measured at fair value							
	Investment						
	Listed equity securities	127,886	-	127,886	127,886	-	127,886
		127,886	-	127,886	127,886	-	127,886
Financial assets not measured at fair value							
24.1	Bank balances	-	4,065	4,065	-	-	-
	Dividend and profit receivable	-	187	187	-	-	-
	Deposits and other receivable	-	2,600	2,600	-	-	-
		-	6,852	6,852	-	-	-
Financial liabilities not measured at fair value							
24.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	326	326	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	21	21	-	-	-
	Accrued expenses and other liabilities	-	500	500	-	-	-
		-	847	847	-	-	-

		Held by Equity sub-fund					
		2021					
Note	At fair value through profit or loss	Carrying Amount			Fair Value		
		At amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in'000) -----							
Financial assets measured at fair value							
	Investment Listed equity securities						
	Listed equity securities	188,120	-	188,120	188,120	-	188,120
		188,120	-	188,120	188,120	-	188,120
Financial assets not measured at fair value							
24.1	Bank balances	-	10,208	10,208	-	-	-
	Dividend receivable and accrued mark-up	-	69	69	-	-	-
	Deposits and other receivable	-	2,600	2,600	-	-	-
		-	12,877	12,877	-	-	-
Financial liabilities not measured at fair value							
24.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	229	229	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	26	26	-	-	-
	Payable against purchase of investments	-	252	252	-	-	-
	Payable against redemption of units	-	16	16	-	-	-
		-	523	523	-	-	-

		Held by Debt sub-fund					
		2022					
Note	At fair value through profit or loss	Carrying Amount			Fair Value		
		At amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in'000) -----							
Financial assets measured at fair value							
24.4	Sukuk bonds	20,842	-	-	-	11,991	20,842
		20,842	-	-	-	11,991	20,842
Financial assets not measured at fair value							
24.1	Bank balances	-	88,713	88,713	-	-	-
	Dividend receivable and accrued mark-up	-	2,017	2,017	-	-	-
	Deposits and other receivable	-	100	100	-	-	-
		-	90,830	90,830	-	-	-
Financial liabilities not measured at fair value							
24.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	64	64	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	15	15	-	-	-
	Accrued expenses and other liabilities	-	227	227	-	-	-
		-	306	306	-	-	-

		Held by Debt sub-fund						
		2021						
Note	Carrying Amount			Fair Value				
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	
		----- (Rupees in'000) -----						
Financial assets measured at fair value								
	Government of Pakistan - Ijara Sukuks	36,906	-	36,906	-	36,906	-	36,906
	Corporate sukuk bonds	10,218	-	10,218	-	10,218	-	10,218
24.4		47,124	-	47,124	-	47,124	-	47,124
Financial assets not measured at fair value								
24.1	Bank balances	-	39,787	39,787	-	-	-	-
	Dividend receivable and accrued mark-up	-	1,019	1,019	-	-	-	-
	Deposits and other receivable	-	100	100	-	-	-	-
		-	40,906	40,906	-	-	-	-
Financial liabilities not measured at fair value								
24.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	111	111	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	12	12	-	-	-	-
	Payable against redemption of units	-	122	122	-	-	-	-
	Accrued expenses and other liabilities	-	869	869	-	-	-	-
		-	1,114	1,114	-	-	-	-
		----- (Rupees in'000) -----						
		Held by Money Market sub-fund						
		2022						
Note	Carrying Amount			Fair Value				
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	
		----- (Rupees in'000) -----						
Financial assets measured at fair value								
	Corporate sukuk bonds	10,000	-	10,000	-	10,000	-	10,000
24.4		10,000	-	10,000	-	10,000	-	10,000
Financial assets not measured at fair value								
24.1	Bank balances	-	88,027	88,027	-	-	-	-
	Dividend and profit receivable	-	1,815	1,815	-	-	-	-
	Deposits and other receivable	-	100	100	-	-	-	-
		-	89,942	89,942	-	-	-	-
Financial liabilities not measured at fair value								
24.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	40	40	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	13	13	-	-	-	-
	Accrued expenses and other liabilities	-	139	139	-	-	-	-
		-	192	192	-	-	-	-
		----- (Rupees in'000) -----						
		Held by Money Market sub-fund						
		2021						
Note	Carrying Amount			Fair Value				
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	
		----- (Rupees in'000) -----						
Financial assets measured at fair value								
	Government of Pakistan - Ijara Sukuks	11,654	-	11,654	-	11,654	-	11,654
	Commercial papers	2,974	-	2,974	-	2,974	-	2,974
24.2		14,628	-	14,628	-	14,628	-	14,628
Financial assets not measured at fair value								
24.1	Bank balances	-	50,267	50,267	-	-	-	-
	Dividend receivable and accrued mark-up	-	713	713	-	-	-	-
	Deposits and other receivable	-	100	100	-	-	-	-
		-	51,080	51,080	-	-	-	-
Financial liabilities not measured at fair value								
24.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	87	87	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	10	10	-	-	-	-
	Accrued expenses and other liabilities	-	665	665	-	-	-	-
		-	762	762	-	-	-	-

- 24.1 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.
- 24.2 The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.
- 24.3 Net assets attributable to participants. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to participants approximates their fair value.
- 24.4 For level 2 investments at fair value through profit or loss - investment in respect of corporate sukuk bonds, Fund uses rates which are prescribed by MUFAP at reporting date in accordance with the methodology prescribed by SECP vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012 at reporting date.

25. FINANCIAL PERFORMANCE

25.1 Equity sub-fund

	Equity Sub-Fund					
	2022	2021	Change	2020	2019	2018
	(Rupees in '000)		(%)	(Rupees in '000)		
Net (loss) / income for the year before taxation	(46,269)	43,928	-205.33%	12,326	(30,725)	(15,219)
Net (loss) / loss on sale of investments	(26,585)	19,927	-233.41%	6,569	(14,024)	(3,809)
Net unrealised gain of investments classified as financial assets at fair value through profit or loss' re-measurement	(23,979)	23,000	-204.26%	3,044	(21,010)	(25,403)
Dividend income / mark-up on bank deposits	7,098	6,333	12.08%	6,360	8,851	8,314
Transactions in securities						
Purchases	168,185	202,779	-17.06%	159,439	159,439	140,157
Sales	177,853	178,395	-0.30%	166,208	166,208	145,973
Total contribution received	142,354	169,075	-15.80%	30,078	81,294	32,117
Net assets value per unit	353.0630	465.5652	-24.16%	343.4056	323.8249	388.2683

25.2 Debt sub-fund

	Debt Sub-Fund					
	2022	2021	Change	2020	2019	2018
	(Rupees in '000)		(%)	(Rupees in '000)		
Net income for the year before taxation	8,170	4,265	91.56%	4,940	6,461	3,621
Net gain / (loss) on sale of investments	160	3	5233.33%	(1,136)	(105)	182
Net unrealised gain of investments classified as financial assets at fair value through profit or loss' re-measurement	9	409	-97.80%	53	(57)	(477)
Dividend income / mark-up on bank deposits	9,252	5,629	64.36%	7,584	8,499	5,541
Transactions in securities						
Purchases	109,098	1,000	10809.80%	36,990	36,990	63,723
Sales	116,572	1,800	6376.22%	41,516	41,516	57,647
Total contribution received	140,240	129,931	7.93%	38,501	51,200	43,516
Net assets value per unit	187.3649	172.1510	8.84%	163.5160	152.2556	141.8178

25.3 Money market sub-fund

	Money Market Sub-Fund					
	2022	2021	Change	2020	2019	2018
	(Rupees in '000)		(%)	(Rupees in '000)		
Net income for the year before taxation	6,592	2,874	129.37%	3,923	5,334	2,590
Net gain / (loss) on sale of investments	91	(84)	-208.33%	-	(2)	54
Net unrealised gain of investments classified as financial assets at fair value through profit or loss' re-measurement	-	74	-100.00%	-	-	-
Dividend income / mark-up on bank deposits	7,419	4,332	71.26%	5,068	6,852	4,177
Transactions in securities						
Purchases	54,187	5,886	820.61%	10,956	10,956	48,007
Sales	39,243	-	100.00%	10,971	10,971	48,061
Total contribution received	139,161	125,684	10.72%	17,336	46,520	31,617
Net assets value per unit	182.4250	167.7456	8.75%	160.7700	148.7409	139.3646

25.4 Highest and lowest issue price of units during the year

	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2022	2021	2022	2021	2022	2021
	(Per Unit Price)					
Highest issue price	480.6385	485.1731	187.3649	171.9131	182.4250	167.7456
Lowest issue price	350.1421	352.2838	172.1886	163.5630	167.7812	160.8081

26 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 year ended June 30, 2022 is 3.36%,1.73% and 1.60% respectively which includes 0.28%,0.19% and 0.18% respectively representing Government levy and SECP fee.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on August 29, 2022.

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

Chief Financial Officer

Chief Executive Officer

Director



HBL

Pension Fund

NAME OF FUND	HBL Pension Fund
NAME OF AUDITOR	Yousuf Adil Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan
NAME OF BANKERS	Habib Bank Limited Faysal Bank Limited Allied Bank JS Bank Limited NIB Bank Limited Sindh Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

HBL PENSION FUND

**Report of the Trustee pursuant to Regulation 67D (viii) of the Non-Banking Finance
Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager of the Fund has in all material respects managed the Fund during the year ended June 30, 2022 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2022



INDEPENDENT AUDITOR'S REPORT

To the participants of HBL Pension Fund

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **HBL Pension Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2022, and the income statement and statement of comprehensive income, the statement of cash flows, the statement of movement in participants' sub funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Fund Manager) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted by the Institute of Chartered Accountants of Pakistan together with the ethical requirements that are relevant to our audit of the financial statements in Pakistan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Fund Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of The Fund Manager and Those Charged with Governance for the financial statements

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the The Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Fund Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the The Fund Manager are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the The Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Fund Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance of The Fund Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) the financial statements prepared for the year ended June 30, 2022 have been properly drawn in accordance with the relevant provisions of the Trust Deed and the Voluntary The System Rules, 2005 including the guidelines thereunder;



- b) the allocation and reallocation of units of the sub-funds for all the participants have been made according to the Voluntary The System Rules, 2005;
- c) the cost and expenses debited to the Fund and apportionment of expenses between sub-funds are as specified in the constitutive documents of the Fund;

The engagement partner on the audit resulting in this independent auditor's report is Hena Sadiq.


Chartered Accountants

Place: Karachi
Date: September 28, 2022
UDIN: AR202210057MnhJExtue

HBL PENSION FUND
Statement of Assets and Liabilities
As at June 30, 2022

		2022				2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note ----- (Rupees in '000) -----									
ASSETS									
Bank balances	5	3,321	229,087	358,775	591,183	11,229	75,173	105,269	191,671
Investments	6	127,901	60,896	37,522	226,319	208,734	117,488	157,867	484,089
Dividend and profit / markup receivable	7	144	5,809	7,818	13,771	403	1,990	326	2,719
Advance Deposits and other receivable	8	3,421	414	171	4,006	2,631	205	179	3,015
TOTAL ASSETS		134,787	296,206	404,286	835,279	222,997	194,856	263,641	681,494
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager	9	411	195	174	780	304	283	365	952
Payable to Central Depository Company of Pakistan Limited - Trustee	10	25	43	61	129	32	27	35	94
Payable to Securities and Exchange Commission of Pakistan	11	49	55	76	180	54	49	46	149
Accrued expenses and other liabilities	12	869	967	940	2,776	9,977	2,940	2,727	15,644
TOTAL LIABILITIES		1,354	1,260	1,251	3,865	10,367	3,299	3,173	16,839
NET ASSETS		133,433	294,946	403,035	831,414	212,630	191,557	260,469	664,656
PARTICIPANTS' SUB FUNDS (AS PER STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)									
		133,433	294,946	403,035	831,414	212,630	191,557	260,469	664,656
Contingencies and commitments									
	18	----- (Number of units) -----				----- (Number of units) -----			
Number of units in issue	14	<u>426,826</u>	<u>1,247,541</u>	<u>1,957,660</u>		<u>490,664</u>	<u>888,556</u>	<u>1,393,395</u>	
		----- (Rupees) -----				----- (Rupees) -----			
Net assets value per unit		<u>312.6181</u>	<u>236.4216</u>	<u>205.8763</u>		<u>433.3512</u>	<u>215.5798</u>	<u>186.9322</u>	

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL PENSION FUND

Income Statement and Statement of Comprehensive Income

For the year ended June 30, 2022

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note ----- (Rupees in '000) -----								
INCOME								
Dividend income	10,024	-	-	10,024	9,094	-	-	9,094
Profit / Markup on bank deposits	541	15,772	27,554	43,867	618	1,912	2,995	5,525
Mark-up / return on investments	-	8,526	6,188	14,714	-	15,027	10,254	25,281
Net (loss) / gain on sale of investments	(35,591)	(562)	61	(36,092)	37,698	(4,859)	(42)	32,797
Net unrealised (loss) / gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	(33,180)	(677)	-	(33,857)	21,284	965	49	22,298
Total (loss) / Income	(58,206)	23,059	33,803	(1,344)	68,694	13,045	13,256	94,995
EXPENSES								
Remuneration to HBL Fund Management Limited - Pension Fund Manager	4,341	2,897	3,706	10,944	3,693	3,313	3,101	10,107
Remuneration of Central Depository Company of Pakistan Limited - Trustee	331	373	514	1,218	370	331	310	1,011
Annual fee to Securities and Exchange Commission of Pakistan	49	55	76	180	54	49	46	149
Auditors' remuneration	101	122	130	353	101	122	130	353
Settlement and bank charges	67	63	44	174	76	38	32	146
Securities transaction cost	676	-	-	676	1,085	-	-	1,085
Fee and subscription	475	49	70	594	230	-	-	230
	6,040	3,559	4,540	14,139	5,609	3,853	3,619	13,081
Net (loss) / income from operating activities	(64,246)	19,500	29,263	(15,483)	63,085	9,192	9,637	81,914
Reversal / (Provision) for Sindh Workers' Welfare Fund	3,040	1,501	923	5,464	(1,237)	(180)	(189)	(1,606)
Net (loss) / income for the year before taxation	(61,206)	21,001	30,186	(10,019)	61,848	9,012	9,448	80,308
Taxation	-	-	-	-	-	-	-	-
Net (loss) / income for the year after taxation	(61,206)	21,001	30,186	(10,019)	61,848	9,012	9,448	80,308
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the year	(61,206)	21,001	30,186	(10,019)	61,848	9,012	9,448	80,308
Earnings Per Unit	4.8							

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL PENSION FUND
Statement of Movement in Participants' Funds
For the year ended June 30, 2022

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note (Rupees in '000)								
Net assets at beginning of the year	212,630	191,557	260,469	664,656	198,309	209,250	138,146	545,705
Amount received on issuance of units	152,166	364,745	488,306	1,005,217	178,258	281,762	401,535	861,555
Amount paid on redemption of units	(178,183)	(277,028)	(373,229)	(828,440)	(220,881)	(310,276)	(291,755)	(822,912)
Reallocation among sub-funds	8,026	(5,329)	(2,697)	-	(4,876)	1,806	3,070	-
	(17,991)	82,388	112,380	176,777	(47,499)	(26,708)	112,850	38,643
Net (loss) / gain on sale of investments	(35,591)	(562)	61	(36,092)	37,698	(4,859)	(42)	32,797
Net unrealised (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss	(33,180)	(677)	-	(33,857)	21,284	965	49	22,298
Other net income for the year	7,565	22,240	30,125	59,930	2,838	12,909	9,466	25,213
Total comprehensive (loss) / income for the year	(61,206)	21,001	30,186	(10,019)	61,820	9,015	9,473	80,308
Net assets at end of the year	133,433	294,946	403,035	831,414	212,630	191,557	260,469	664,656
Net assets value per unit at beginning of the year	433.3512	215.5798	186.9322		324.3643	205.9216	177.6024	
Net assets value per unit at end of the year	312.6181	236.4216	205.8763		433.3512	215.5798	186.9322	

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL PENSION FUND
Cash Flow Statement
For the year ended June 30, 2022

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) income for the year before taxation	(61,206)	21,001	30,186	(10,019)	61,820	9,015	9,473	80,308
Adjustments for:								
Net loss / (gain) on sale of investments	35,591	562	(61)	36,092	(37,698)	4,859	42	(32,797)
Net unrealised loss / (gain) on re-measurement of investments classified as 'financial assets at fair value through profit or loss	33,180	677	-	33,857	(21,284)	(965)	(49)	(22,298)
Dividend Income	(10,024)	-	-	(10,024)	(9,094)	-	-	(9,094)
Profit on bank deposits	(541)	(15,772)	(27,554)	(43,867)	(618)	(1,912)	(2,995)	(5,525)
Mark-up / return on investments	-	(8,526)	(6,188)	(14,714)	-	(15,027)	(10,254)	(25,281)
(Reversal) / Provision for Sindh Workers' Welfare Fund	(3,040)	(1,501)	(923)	(5,464)	1,237	180	189	1,606
	(6,040)	(3,559)	(4,540)	(14,139)	(5,637)	(3,850)	(3,594)	(13,081)
Decrease / (increase) in assets								
Investments - net	5,287	55,353	120,406	181,046	38,850	67,350	(74,216)	31,984
Deposits and other receivables	(22)	(209)	8	(223)	(2,500)	2	1	(2,497)
	5,265	55,144	120,414	180,823	36,350	67,352	(74,215)	29,487
(Decrease) / increase in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	107	(88)	(191)	(172)	23	(56)	131	98
Payable to Central Depository Company of Pakistan Limited - Trustee	(7)	16	26	35	4	(2)	16	18
Payable to Securities and Exchange Commission of Pakistan	(5)	6	30	31	(5)	(1)	10	4
Accrued expenses and other liabilities	(61)	(472)	(864)	(1,397)	10,537	455	894	11,886
	34	(538)	(999)	(1,503)	10,559	396	1,051	12,006
Dividend received	10,408	-	-	10,408	8,724	-	-	8,724
Profit received on bank deposits	416	11,339	20,825	32,580	644	1,790	2,924	5,358
Mark-up received on investments	-	9,140	5,426	14,566	-	16,589	10,254	26,843
Net cash generated / (used in) from operating activities	10,083	71,526	141,126	222,735	50,640	82,277	(63,580)	69,337
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issuance of units	152,166	364,745	488,306	1,005,217	178,258	281,762	401,535	861,555
Amount paid on redemption of units	(178,183)	(277,028)	(373,229)	(828,440)	(220,881)	(310,276)	(291,755)	(822,912)
Reallocation among funds	8,026	(5,329)	(2,697)	-	(4,876)	1,806	3,070	-
Net cash (used in) / generated from financing activities	(17,991)	82,388	112,380	176,777	(47,499)	(26,708)	112,850	38,643
Net increase / (decrease) in cash and cash equivalents during the year	(7,908)	153,914	253,506	399,512	3,141	55,569	49,270	107,980
Cash and cash equivalents at beginning of the year	11,229	75,173	105,269	191,671	8,088	19,604	55,999	83,691
Cash and cash equivalents at end of the year	3,321	229,087	358,775	591,183	11,229	75,173	105,269	191,671

The annexed notes from 1 to 27 form an integral part of this financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

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

VIS Credit Rating Agency has assigned management quality rating of 'AM2++' as at December 31, 2021 (June 2021:AM2++) 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.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 directives issued under the Companies Act, 2017.

Where provisions of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the requirements of the VPS Rules or provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates the results of which form the basis of making the judgement about the carrying values of assets and liabilities that are not readily apparent from other source.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

- (a) classification and measurement of financial assets (Note 4.2.1.1)
- (b) impairment of financial assets (Note 4.2.1.3)
- (c) provisions (Note 4.3)

2.3 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for the investments which are stated at fair value.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional and presentation currency of the Fund.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2022

The following standards, amendments and interpretations are effective for the year ended June 30, 2022. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

**Effective for accounting periods
beginning on or after:**

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) **January 01, 2021**

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021 **April 01, 2021**

3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

**Effective for accounting periods
beginning on or after:**

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework **January 01, 2022**

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use **January 01, 2022**

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract **January 01, 2022**

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41) **January 01, 2022**

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current **January 01, 2023**

**Effective for accounting periods
beginning on or after:**

Amendments to IAS 1 'Presentation of Financial Statements' -
Disclosure of accounting policies **January 01, 2023**

Amendments to IAS 8 'Accounting Policies, Changes in Accounting
Estimates and Errors' - Definition of accounting estimates **January 01, 2023**

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets
and liabilities arising from a single transaction. **January 01, 2023**

Amendments to IFRS 10 and 28 - Sale or Contribution of Assets
between an Investor and its Associate or Joint Venture **Deferred indefinitely**

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below have been applied consistently to all period presented in the preparation of these financial statements are set out below.

4.1 Cash and cash equivalents

Bank balances comprises savings accounts with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to insignificant change in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

4.2 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. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.2.1 Classification and measurement of 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.

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. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (FVTOCI), interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at fair value through profit or loss (FVTPL). In addition, debt instruments that meet either the amortised cost criteria or the FVOCI 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.

4.2.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

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 rates) which are based on the remaining tenor of the securities.

Basis of valuation of other debt 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.

4.2.1.3 Impairment of financial assets

The Pension Fund Manager 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.

SECP 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 is not 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 other than debt securities 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.

4.2.1.4 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.

4.2.2 Financial liabilities

4.2.2.1 Classification and measurement of financial liabilities

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.

4.2.2.2 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.

4.2.2.3 Regular way contracts

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.2.4 Offsetting of financial instruments

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.

4.3 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 amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Revenue recognition

- Mark-up / return on investments in debt securities are recognised using effective yield method.
- Profit on bank deposit is recognised on a time proportionate basis and at the interest rate applicable.
- Dividend income is recognised when the right to receive dividend is established.
- Capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the sales transaction takes place.
- Unrealised gain / (loss) arising on re - measurement of investments classified as financial assets at fair value through profit or loss ' are included in the Income Statement in the year in which they arise.

4.5 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.

4.6 Issue and redemption of units

Contribution received in the individual pension account after deduction of applicable front end fee is used to purchase the units of Sub-Funds according to the Allocation Scheme selected by the participant. The units are allotted at the net asset value notified by the Pension Fund Manager at the close of the business day for each Sub-Fund on the date on which funds are actually realised against application. The front end fee is payable to the Pension Fund Manager.

The Pension Fund Manager makes reallocation of the Sub-Fund units between the Sub-Funds at least once a year to ensure that the allocation of the Sub-Fund units of all the participants are according to the Allocation Schemes selected by the participants. In case of withdrawal before retirement, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day on which such request is received by the Fund before the cut off time. Redemption of units is recorded on acceptance of application for redemption.

In case of retirement of the participant, units are redeemed at the net asset value of each of the Sub-Fund as of the close of the business day on which retirement age is reached.

In case of change of Pension Fund Manager, units are redeemed at the net asset value of each of the sub-fund as of the close of the business day corresponding to the date of change specified by the participant.

4.7 Net asset value per unit

The Net asset value (NAV) per unit, as disclosed in statement of assets and liabilities, is calculated by dividing the net assets of each of the Sub-Fund by the number of units in circulation of that Sub-Fund at the year end.

4.8 Earnings per unit (EPU)

Earnings per unit (EPU) has not been disclosed as in the opinion of the Pension Fund Manager, determination of weighted average units for calculating EPU is not practicable.

5. BANK BALANCES

	Note	2022				2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)									
Savings accounts	5.1	3,321	229,087	358,775	591,183	11,229	75,173	105,269	191,671

5.1 This includes balances of Rs.2.39 million, Rs.228.74 million & Rs.358.54 million (2021:Rs. 3.87 million, Rs. 37.44 million & Rs. 53.68 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party), during the year these accounts carried profit at the rates ranging between 5.50% to 17.55% (2021: 5.5% to 7.85%) respectively. During the year other Savings accounts of the Fund carried profit at the rates ranging between 5.50% to 17.50% (2021: 5.5% to 8.65%) per annum.

6. INVESTMENTS

	Note	2022				2021			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)									
Investments by category									
At fair value through profit or loss									
Listed equity securities	6.1	127,901	-	-	127,901	208,734	-	-	208,734
Government securities									
- Market treasury bills	6.2	-	-	-	-	-	29,801	148,944	178,745
- Pakistan investment bonds							46,758	-	46,758
Term finance certificates and corporate sukuk bonds	6.3	-	44,520	25,000	69,520	-	32,997	-	32,997
Commercial papers	6.4	-	16,376	12,522	28,898	-	7,932	8,923	16,855
		127,901	60,896	37,522	226,319	208,734	117,488	157,867	484,089

HBL PENSION FUND

Notes to the Financial Statements

For the year ended June 30, 2022

6.1

Listed equity securities

Held by Equity Sub-Fund

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue/(Share adjustment)	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise										
	----- (Number of Shares) -----			----- (Rupees in '000) -----			----- (%) -----			
AUTOMOBILE ASSEMBLER										
Pak Suzuki Motor Company Limited	6,500	-	-	6,500	-	-	-	0.00%	0.00%	0.00%
Millat Tractors Limited	3,812	1,000	762	5,574	-	-	-	0.00%	0.00%	0.00%
Honda Atlas Cars (Pakistan) Limited	10,500	-	-	10,500	-	-	-	0.00%	0.00%	0.00%
Indus Motor Company Limited	1,380	-	-	1,380	-	-	-	0.00%	0.00%	0.00%
Ghandhara Industries Limited	-	2,500	-	2,500	-	-	-	0.00%	0.00%	0.00%
	22,192	3,500	762	26,454	-	-	-	0.00%	0.00%	0.00%
AUTOMOBILE PARTS AND ACCESSORIES										
Panther Tyres Limited	28,730	-	-	28,730	-	-	-	0.00%	0.00%	0.00%
Ghandhara Tyre & Rubber Company Limited	45,000	25,000	-	70,000	-	-	-	0.00%	0.00%	0.00%
	73,730	25,000	-	98,730	-	-	-	0.00%	0.00%	0.00%
CEMENT										
Attock Cement Pakistan Limited	29,500	21,500	-	5,000	46,000	7,623	3,059	2.39%	2.29%	0.03%
Kohat Cement Limited	8,700	6,300	-	9,000	6,000	1,171	781	0.61%	0.59%	0.00%
Lucky Cement Limited	20,050	7,910	-	27,960	-	-	-	0.00%	0.00%	0.00%
D.G. Khan Cement Company Limited	27,100	-	-	27,100	-	-	-	0.00%	0.00%	0.00%
Cherat Cement Company Limited	6,000	-	-	6,000	-	-	-	0.00%	0.00%	0.00%
Pioneer Cement Limited	32,500	2,500	-	35,000	-	-	-	0.00%	0.00%	0.00%
Fauji Cement Company Limited	-	40,000	-	40,000	-	-	-	0.00%	0.00%	0.00%
Maple Leaf Cement Factory Limited	85,500	170,500	-	256,000	-	-	-	0.00%	0.00%	0.00%
	209,350	248,710	-	406,060	52,000	8,794	3,840	3.00%	2.88%	0.03%
CHEMICAL										
Engro Polymer & Chemicals Limited	-	87,500	-	71,500	16,000	1,304	1,274	1.00%	0.95%	0.00%
Descon Oxychem Limited	-	137,000	-	137,000	-	-	-	0.00%	0.00%	0.00%
Nimir Resins Limited*	100,000	60,000	(50,000)	110,000	-	-	-	0.00%	0.00%	0.00%
	100,000	284,500	(50,000)	318,500	16,000	1,304	1,274	1.00%	0.95%	0.00%
COMMERCIAL BANKS										
Bank Islami Pakistan Limited	-	147,000	-	147,000	-	-	-	0.00%	0.00%	0.00%
Meezan Bank Limited	16,297	4,000	2,444	22,741	-	-	-	0.00%	0.00%	0.00%
Allied Bank Limited	-	25,000	-	25,000	-	-	-	0.00%	0.00%	0.00%
Bank Al-Falah Limited	-	171,700	-	86,254	85,446	2,909	2,734	2.14%	2.05%	0.00%
Bank Al-Habib Limited	-	58,000	-	12,500	45,500	3,189	2,642	2.07%	1.98%	0.00%
Habib Bank Limited	-	159,274	-	96,311	62,963	7,832	5,751	4.50%	4.31%	0.00%
Faysal Bank Limited**	840	205,000	-	8,000	197,840	5,229	4,562	3.57%	3.42%	0.01%
MCB Bank Limited	40,100	13,000	-	18,165	34,935	5,530	4,296	3.36%	3.22%	0.00%
Standard Chartered Bank (Pakistan) Limited	185,000	25,000	-	-	210,000	7,043	4,013	3.14%	3.01%	0.01%
Habib Metropolitan Bank	-	52,500	-	-	52,500	2,042	2,050	1.60%	1.54%	0.01%
United Bank Limited	102,258	37,533	-	60,300	79,491	10,031	8,993	7.03%	6.74%	0.01%
	344,495	898,007	2,444	476,271	768,675	43,805	35,041	27.41%	26.27%	0.04%
ENGINEERING										
Mughal Iron And Steel Industries Limited**	30,995	23,500	6,149	27,700	32,944	3,091	1,899	1.48%	1.42%	0.01%
International Industries Limited	13,700	-	-	13,700	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	20,000	-	-	20,000	-	-	-	0.00%	0.00%	0.00%
Aisha Steel Mill Limited	78,000	-	-	78,000	-	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	-	89,000	-	89,000	-	-	-	0.00%	0.00%	0.00%
Agha Steel Industries Limited	93,000	17,000	4,650	114,650	-	-	-	0.00%	0.00%	0.00%
	235,695	129,500	10,799	343,050	32,944	3,091	1,899	1.48%	1.42%	0.01%
FERTILIZER										
Engro Fertilizers Limited	-	65,000	-	50,000	15,000	1,346	1,330	1.04%	1.00%	0.01%
Fauji Fertilizer Company Limited	-	85,650	-	2,250	83,400	9,490	9,192	7.19%	6.89%	0.07%
Fauji Fertilizer Bin Qasim Limited	-	50,000	-	50,000	-	-	-	0.00%	0.00%	0.00%
Engro Corporation Limited	24,402	49,700	-	25,002	49,100	13,503	12,623	9.87%	9.46%	0.09%
	24,402	250,350	-	127,252	147,500	24,339	23,145	18.10%	17.35%	0.17%
GLASS & CERAMICS										
Shabbir Tiles and Ceramics Limited	-	29,000	-	29,000	-	-	-	0.00%	0.00%	0.00%
	-	29,000	-	29,000	-	-	-	0.00%	0.00%	0.00%
INSURANCE										
IGI Life Insurance Limited	32,000	2,500	-	34,500	-	-	-	0.00%	0.00%	0.00%
IGI Holdings Limited	24,500	12,300	-	24,500	12,300	2,241	1,362	1.06%	1.02%	0.01%
	56,500	14,800	-	59,000	12,300	2,241	1,362	1.06%	1.02%	0.01%

HBL PENSION FUND

Notes to the Financial Statements

For the year ended June 30, 2022

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue / (Share adjustment)	Sales during the year	As at June 30, 2022	Carrying value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
CABLE & ELECTRICAL GOODS										
Waves Singer Pakistan Limited	79,000	63,000	-	142,000	-	-	-	0.00%	0.00%	0.00%
Pak Elektron Limited	57,500	52,340	-	109,840	-	-	-	0.00%	0.00%	0.00%
	136,500	115,340	-	251,840	-	-	-	0.00%	0.00%	0.00%
OIL AND GAS EXPLORATION COMPANIES										
Oil & Gas Development company	121,200	116,500	-	106,100	131,600	11,684	10,353	8.09%	7.76%	0.00%
Pakistan Oilfields Limited	10,550	5,125	-	5,900	9,775	3,792	3,967	3.10%	2.97%	0.00%
Mari Petroleum Company Limited	3,220	980	-	2,366	1,834	2,807	3,191	2.49%	2.39%	0.00%
Pakistan Petroleum Limited	111,791	114,400	-	130,891	95,300	7,258	6,434	5.03%	4.82%	0.00%
	246,761	237,005	-	245,257	238,509	25,541	23,945	18.71%	17.94%	0.00%
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited**	36,977	12,400	-	10,000	39,377	8,582	6,767	5.29%	5.07%	0.01%
Sui Northern Gas Pipelines Limited	-	26,500	-	26,500	-	-	-	0.00%	0.00%	0.00%
	36,977	38,900	-	36,500	39,377	8,582	6,767	5.29%	5.07%	0.01%
MISCELLANEOUS										
TPL Properties Limited	-	89,500	-	39,000	50,500	951	1,018	0.80%	0.76%	0.01%
	-	89,500	-	39,000	50,500	951	1,018	0.80%	0.76%	0.01%
PHARMACEUTICALS										
Ferozsons Laboratories Limited	-	6,000	-	6,000	-	-	-	0.00%	0.00%	0.00%
Highnoon Laboratories Limited**	45	6,000	404	4,300	2,149	1,226	1,139	0.89%	0.85%	0.01%
Abbott Laboratories (Pakistan) Limited	-	3,000	-	3,000	-	-	-	0.00%	0.00%	0.00%
Searle Pakistan Limited**	414	15,000	124	-	15,538	2,191	1,694	1.32%	1.27%	0.00%
	459	30,000	528	13,300	17,687	3,417	2,833	2.21%	2.12%	0.01%
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Limited	78,340	55,000	-	41,200	92,140	7,020	6,281	4.91%	4.71%	0.01%
	78,340	55,000	-	41,200	92,140	7,020	6,281	4.91%	4.71%	0.01%
FOOD AND PERSONAL CARE PRODUCTS										
The Organic Meat Company Limited	185,515	5,000	13,801	66,500	137,816	4,598	3,010	2.35%	2.26%	0.11%
Unity Foods Limited	149,500	109,346	-	129,346	129,500	5,142	2,599	2.03%	1.95%	0.01%
Al Shaheer Corporation Limited	-	100,000	-	100,000	-	-	-	0.00%	0.00%	0.00%
	335,015	214,346	13,801	295,846	267,316	9,740	5,609	4.38%	4.21%	0.12%
REFINERY										
Attock Refinery Limited	7,000	9,500	-	-	16,500	3,276	2,900	2.27%	2.17%	0.02%
National Refinery Limited	11,100	1,800	-	4,150	8,750	4,126	2,210	1.73%	1.66%	0.01%
	18,100	11,300	-	4,150	25,250	7,402	5,110	4.00%	3.83%	0.03%
TECHNOLOGY & COMMUNICATION										
Avanceon Limited	27,000	13,000	3,625	25,500	18,125	1,536	1,412	1.10%	1.06%	0.01%
Systems Limited	-	12,200	7,250	19,450	-	-	-	0.00%	0.00%	0.00%
Netsol Technologies Limited	18,000	-	-	18,000	-	-	-	0.00%	0.00%	0.00%
TPL Trakker Limited	255,500	106,000	-	-	361,500	6,351	3,127	2.44%	2.34%	0.19%
TRG Pakistan Limited	26,000	27,500	-	53,500	-	-	-	0.00%	0.00%	0.00%
Air Link Communication Limited	-	69,938	2,095	72,033	-	-	-	0.00%	0.00%	0.00%
Hum Network Limited	-	30,000	-	30,000	-	-	-	0.00%	0.00%	0.00%
Octopus Digital Limited	-	7,000	-	7,000	-	-	-	0.00%	0.00%	0.00%
	326,500	265,638	12,970	225,483	379,625	7,887	4,539	3.54%	3.40%	0.20%
TEXTILE COMPOSITE										
Interloop Limited	36,988	-	1,109	17,300	20,797	1,414	1,269	0.99%	0.95%	0.00%
Kohinoor Textile Mills Limited	40,500	-	-	13,000	27,500	2,068	1,375	1.08%	1.03%	0.01%
Gul Ahmed Textile Mills Limited	55,800	65,000	-	84,500	36,300	1,759	1,227	0.96%	0.92%	0.01%
Nishat (Chunian) Limited	60,500	-	-	60,500	-	-	-	0.00%	0.00%	0.00%
Nishat Mills Limited	26,000	-	-	7,500	18,500	1,726	1,367	1.07%	1.02%	0.01%
	219,788	65,000	1,109	182,800	103,097	6,967	5,238	4.10%	3.92%	0.03%
Total as at June 30, 2022	2,464,804	3,005,396	(7,587)	3,219,693	2,242,920	161,081	127,901			
Total as at June 30, 2021	3,030,266	4,942,626	22,228	5,530,316	2,464,804	187,450	208,734			

*

Nimir Resins Limited has consolidated its shares during the year i.e increase in face value of shares from Rs.5 each to Rs.10 each as per reference letter 1134-NRL-PSX-07-2021 dated July 19, 2021 to the Pakistan Stock Exchange Limited.

** Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other Pension Fund managers and MUFAP, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under Clause 99 and Clause 57(3)(viii) of Part I and Clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 0.187 million at June 30, 2022 (2021: Rs. 0.188 million) and not yet deposited on CDC account of department of Income tax. Pension Fund Manager is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at year end.

6.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited (NCCPL) as security against settlement of the Sub-Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by SECP:

	June 30, 2022 ---- (Number of shares) ----	June 30, 2021	June 30, 2022 ----- (Rupees in '000) -----	June 30, 2021
Attock Refinery	5,000	-	879	-
Bank Alfalah Limited	50,000	-	1,600	-
Habib Bank Limited	50,600	-	4,622	-
Mughal Iron and Industries	20,000	-	1,153	-
Nishat Mills Limited	10,000	-	739	-
National Refinery Limited	5,000	-	1,263	-
Oil & Gas Development company	80,000	80,000	6,294	7,600
Pakistan Petroleum Limited	40,000	-	2,700	-
Pakistan State Oil Company Limited	20,000	30,000	3,437	2,600
United Bank Limited	50,000	-	5,657	-
	330,600	110,000	28,344	10,200

6.2 Government securities

Held by Debt Sub-Fund

Issue date	Face value			As at June 30, 2022	Carrying Value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund
	As at July 1, 2021	Purchases during the year	Sales / matured during the year					
	----- (Rupees in '000) -----						---- (%) ----	
Market treasury bills								
Treasury Bill - 3 months	May 20, 2021	-	2,000	2,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	August 12, 2021	-	100,000	100,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	August 26, 2021	-	80,000	80,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	January 27, 2022	-	70,000	70,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	February 10, 2022	-	125,000	125,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	March 25, 2021	30,300	-	30,300	-	-	0.00%	0.00%
Treasury Bill - 6 months	March 25, 2021	-	15,000	15,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	May 20, 2021	-	79,000	79,000	-	-	0.00%	0.00%
Total as at June 30, 2022		30,300	471,000	501,300	-	-	0.00%	0.00%
Total as at June 30, 2021		80,000	766,050	815,750	30,300	29,778	25.37%	15.56%
Pakistan Investment Bonds								
Pakistan Investment Bonds 3 years	August 20, 2020	-	50,000	50,000	-	-	0.00%	0.00%
Pakistan Investment Bonds 3 years	October 10, 2020	-	100,000	100,000	-	-	0.00%	0.00%
Pakistan Investment Bonds 5 years	October 15, 2020	50,000	-	50,000	-	-	0.00%	0.00%
Total as at June 30, 2022		50,000	150,000	200,000	-	-	0.00%	0.00%
Total as at June 30, 2021		83,500	220,000	253,500	50,000	45,696	39.80%	24.41%

HBL PENSION FUND

Notes to the Financial Statements

For the year ended June 30, 2022

Held by Money Market Sub-Fund

Issue date	Tenor	Face value			Carrying Value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund
		As at July 1, 2021	Purchases during the year	Sales / matured during the year				
(Rupees in '000)								
(%)								
Market Treasury Bills								
Treasury Bill - 3 months	April 22, 2021	19,000	-	19,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	May 6, 2021	20,000	-	20,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	May 20, 2021	-	9,000	9,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	May 20, 2021	42,000	-	42,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	July 29, 2021	-	20,000	20,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	August 12, 2021	-	260,000	260,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	August 26, 2021	-	7,000	7,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	January 27, 2022	-	235,000	235,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	February 10, 2022	-	240,000	240,000	-	-	0.00%	0.00%
Treasury Bill - 3 months	March 25, 2021	-	115,000	115,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	April 22, 2021	70,000	-	70,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	May 20, 2021	-	2,000	2,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	June 3, 2021	-	230,000	230,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	August 12, 2021	-	51,000	51,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	August 26, 2021	-	125,000	125,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	January 27, 2022	-	235,000	235,000	-	-	0.00%	0.00%
Treasury Bill - 6 months	March 10, 2022	-	280,000	280,000	-	-	0.00%	0.00%
Total as at June 30, 2022		151,000	1,809,000	1,960,000	-	-	0.00%	0.00%
Total as at June 30, 2021		79,000	1,293,500	1,221,500	151,000	148,895	94.35%	57.18%

6.3

Term finance certificates and corporate sukuk bonds

Held by Debt Sub-Fund

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Sales / Matured during the year	As at June 30, 2022	Carrying Value as at June 30, 2022	Market value as at June 30, 2022	Market value as a percentage of total investments of sub-fund	Market value as a percentage of net assets of sub-fund
(Number of Certificates)								
(Rupees in '000)								
(%)								
Commercial Banks								
Bank of Punjab *	60	-	-	60	6,047	6,010	9.87%	2.04%
Bank Alfalah Limited *	2,400	-	-	2,400	11,771	11,060	18.16%	3.75%
	2,460	-	-	2,460	17,818	17,070	28.03%	5.79%
Multitiilities								
Water and Power Development Authority **	798	-	798	-	-	-	0.00%	0.00%
K-Electric Limited **	1,200	-	1,200	-	-	-	0.00%	0.00%
Hub Power Company Limited - 021121 **	-	18	18	-	-	-	0.00%	0.00%
Hub Power Company Limited - 270422 **	-	50	-	50	5,000	5,000	8.21%	1.70%
	1,998	68	2,016	50	5,000	5,000	8.21%	1.70%
Miscellaneous								
Pak Elektron Limited **	-	12	-	12	12,000	11,925	19.58%	4.04%
OBS AGP **	-	20	-	20	2,000	2,010	3.30%	0.68%
International Brands Limited **	40	-	40	-	-	-	0.00%	0.00%
TPL Trakker Limited **	4	-	-	4	3,412	3,350	5.50%	1.14%
Jahangir Siddiqui and Company Limited *	2,000	-	-	2,000	4,967	5,165	8.48%	1.75%
	2,044	32	40	2,036	22,379	22,450	36.86%	7.61%
Total as at June 30, 2022	6,502	100	2,056	4,546	45,197	44,520	73.10%	15.10%
Total as at June 30, 2021	4,158	2,520	140	6,502	33,117	32,997	28.08%	17.23%
Held by Money Market Sub-Fund								
Multitiilities								
Hub Power Company Limited **	-	25	25	-	-	-	-	-
K-Electric Limited **	-	25	-	25	25,000	25,000	-	-
Total as at June 30, 2022	-	50	25	25	25,000	25,000	-	-
Total as at June 30, 2021	-	-	-	-	-	-	-	-

6.3.1

Significant terms and conditions of Term finance certificates and corporate sukuk bonds outstanding as at June 30, 2022 are as follows:

Name of security	Remaining principal Face value Rupees per TFC & Sukuk	Mark-up rate per annum	Issue date	Maturity date
Bank of Punjab	99,800	6 months KIBOR+1%	23-Dec-16	23-Dec-26
Bank Alfalah Limited	5,000	6 months KIBOR + 0.75%	15-Jan-21	15-Jan-24
K-Electric Limited	1,000,000	6 months KIBOR+0.95%	13-Apr-22	13-Oct-22
Hub Power Company Limited - 270422	100,000	6 months KIBOR+1.9%	27-Apr-22	24-Oct-22
Jahangir Siddiqui and Company Limited	2,500	6 months KIBOR + 1.4%	6-Mar-18	6-Mar-23
TPL Trakker Limited	833,333	3 months KIBOR + 3%	30-Mar-21	30-Mar-26
Pak Elektron Limited	1,000,000	3 months KIBOR + 1.3%	15-Nov-21	15-Nov-23
OBS AGP (Private) Limited	100,000	3 months KIBOR + 1.55%	15-Jul-21	15-Jul-26

* Term Finance Certificates (TFC)

** Sukuk Bonds

6.4 Commercial papers
Held by Debt Sub-Fund

Name of Company	Note	Maturity Date	Face Value				Carrying amount as at June 30, 2022	Market value as at June 30, 2022	Percentage of total value of investments of sub-fund (%)	Percentage of Net Assets of sub-fund
			As at July 1, 2021	Placement made during the year	Matured during the year	As at June 30, 2022				
(Rupees in '000)										
China Power Hub Generation Company	6.4.1	October 11, 2022	-	17,000	-	17,000	16,376	16,376	26.89	5.55
K-Electric Limited		May 3, 2022	-	3,000	3,000	-	-	-	-	-
K-Electric Limited		April 7, 2022	-	4,000	4,000	-	-	-	-	-
K-Electric Limited		February 22, 2022	-	7,000	7,000	-	-	-	-	-
K-Electric Limited		January 23, 2022	-	5,000	5,000	-	-	-	-	-
K-Electric Limited		August 14, 2021	8,000	-	8,000	-	-	-	-	-
			8,000	36,000	27,000	17,000	16,376	16,376	26.89	5.55

Held by Money Market Sub-Fund

Name of Company	Note	Maturity date	Face Value				Carrying Value as at June 30, 2022	Market value as at June 30, 2022	Percentage of total value of investments of sub-fund (%)	Percentage of Net Assets of sub-fund
			As at July 1, 2021	Placement made during the year	Matured / Sold during the year	As at June 30, 2022				
(Rupees in '000)										
China Power Hub Generation Company	6.4.1	October 11, 2022	-	13,000	-	13,000	12,522	12,522	33	3
K-Electric Limited		May 3, 2022	-	6,000	6,000	-	-	-	-	-
K-Electric Limited		February 22, 2022	-	11,000	11,000	-	-	-	-	-
K-Electric Limited		January 23, 2022	-	11,000	11,000	-	-	-	-	-
K-Electric Limited		August 9, 2021	9,000	-	9,000	-	-	-	-	-
			9,000	41,000	37,000	13,000	12,522	12,522	33	3

6.4.1 These commercial papers have been placed at a discount rate of 13.59% (2021: 8%) per annum.

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

	2022			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Market value of investments	127,901	60,896	37,522	226,319
Carrying value of investments before mark to market	(161,081)	(61,573)	(37,522)	(260,176)
	(33,180)	(677)	-	(33,857)

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

	2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Market value of investments	208,734	117,488	157,867	484,089
Carrying value of investments before mark to market	(187,450)	(116,523)	(157,818)	(461,791)
	21,284	965	49	22,298

7. DIVIDEND AND PROFIT / MARKUP RECEIVABLE

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
Dividend receivable	-	-	-	-	384	-	-	384
Profit receivable on bank deposits	144	4,670	7,056	11,870	19	237	326	582
Profit on Term finance certificates and sukuk bonds	-	1,139	762	1,901	-	717	-	717
Markup on government securities	-	-	-	-	-	1,036	-	1,036
	144	5,809	7,818	13,771	403	1,990	326	2,719

8. DEPOSITS AND OTHER RECEIVABLES

Security Deposit with Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
Security deposit with National Clearing Company of Pakistan Limited	2,500	-	-	2,500	2,500	-	-	2,500
Receivable against sale of Investment Advance Tax	768	-	-	768	-	-	-	768
	53	314	71	438	31	105	79	215
	3,421	414	171	4,006	2,631	205	179	3,015

9.	Note	2022				2021				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
		(Rupees in '000)								
	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER									
	Remuneration of Pension Fund Manager	9.1	364	173	154	691	263	234	305	802
	Sindh Sales Tax on remuneration to Pension Fund Manager	9.2	47	22	20	89	34	30	40	104
	Sales load payable		-	-	-	-	7	19	20	46
			411	195	174	780	304	283	365	952

9.1 As per Rule 11 of the Voluntary Pension System Rules, 2005, the Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time. During the year, the fee is being charged at the rate ranging from 0.4% to 1.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.

9.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 13% (2021: 13%) on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act, 2011.

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

10.	Note	2022				2021				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
		(Rupees in '000)								
	Remuneration of the Trustee	10.1	22	38	54	114	28	24	31	83
	Sindh Sales Tax on Trustee remuneration	10.2	3	5	7	15	4	3	4	11
			25	43	61	129	32	27	35	94

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2022 is as follows:

Net assets	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% p.a. of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% p.a. of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% p.a. of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% p.a. of NAV exceeding Rs. 6,000 million

10.2 Sindh Sales Tax at the rate of 13% (June 30, 2021: 13%) is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth of 1% (June 30, 2021: one thirtieth of 1%) of average annual net asset value of each of the sub-fund.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Auditors' remuneration	69	77	98	244	92	82	73	247
Payable against purchase of investment	-	-	-	-	6,007	-	-	6,007
Payable against redemption of units	-	-	-	-	71	476	892	1,439
Payable to National Clearing Company of Pakistan	32	-	-	32	-	-	-	-
Federal Excise Duty payable on Remuneration of Pension Fund Manager	12.1	763	878	836	2,477	763	878	836
Provision for Sindh Workers' Welfare Fund	12.2	-	-	-	3,040	1,501	923	5,464
Withholding tax payable	5	12	6	23	4	3	3	10
	869	967	940	2,776	9,977	2,940	2,727	15,644

12.1 FEDERAL EXCISE DUTY

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager has been applied effective from June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the MUFAP along-with CDC with the Sindh High Court (SHC) on September 04, 2013

While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The Finance Act, 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the year ending June 30, 2022.

However, since the appeal is pending in Supreme Court of Pakistan, the Pension Fund Manager has made a provision of FED on remuneration of the Pension Fund Manager, aggregating to Rs. 0.763 million, Rs. 0.878 million and Rs. 0.836 million (2021: Rs. 0.763 million, Rs. 0.878 million and Rs. 0.836 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at June 30, 2022 would have been higher by Rs. 1.79, Rs. 0.70 and Rs. 0.43 (2021: Rs. 1.56 Rs. 0.99 and Rs. 0.60) per unit respectively

12.2 PROVISION FOR WORKERS' WELFARE FUND

The Government of Sindh introduced levy of the Sindh Workers' Welfare Fund (SWWF) through the Sindh Workers' Welfare Act, 2014. The MUFAP, in the previous years based on opinion obtained from the tax consultants, concluded that SWWF is not applicable on mutual funds. MUFAP also wrote to the Sindh Revenue Board (SRB) that mutual funds are not establishments and are pass through vehicles; therefore, they do not have any worker and, as a result, no SWWF is payable by them. SRB responded back that as mutual funds are included in definition of financial institutions in the Financial Institutions (Recovery of Finance) Ordinance, 2001, and thus SWWF is payable by them.

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

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

The Fund ceased to charge further provision for SWWF and has reversed full provision for SWWF amounting to Rs. 3.040 million, Rs. 1.501 million, Rs. 0.923 million under Equity Sub Fund, Pension Debt Sub Fund & Money Market Sub Fund respectively.

13. CONTRIBUTION TABLE

Contributions received during the year are as follows:

	2022							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
From:								
Individuals	405,716	152,166	1,602,250	364,745	2,470,843	488,306	4,478,809	1,005,217
	2021							
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000	Units	Rupees in '000
From:								
Individuals	447,945	178,258	1,343,433	281,762	2,183,674	401,535	3,975,052	861,555

14. NUMBER OF UNITS IN ISSUE

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Number)							
Opening units in issue	490,664	888,556	1,393,395	2,772,615	611,379	1,016,164	777,841	2,405,384
Units issued during the year	405,716	1,602,250	2,470,843	4,478,809	447,945	1,343,433	2,183,674	3,975,052
Units redeemed during the year	(491,222)	(1,219,835)	(1,892,899)	(3,603,956)	(556,333)	(1,479,625)	(1,584,751)	(3,620,709)
Reallocation during the year	21,668	(23,430)	(13,679)	(15,441)	(12,327)	8,584	16,631	12,888
Total units in issue at the end of the year	426,826	1,247,541	1,957,660	3,632,027	490,664	888,556	1,393,395	2,772,615

15. MARK-UP / RETURN ON INVESTMENTS

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Mark-up / return on:								
Government securities								
- Market treasury bills	-	1,844	2,332	4,176	-	5,855	9,561	15,416
- Pakistan investment bonds	-	1,812	-	1,812	-	5,785	-	5,785
Term finance certificates and sukuk bonds	-	3,590	2,116	5,706	-	3,151	302	3,453
Commercial papers	-	1,280	1,740	3,020	-	236	391	627
	-	8,526	6,188	14,714	-	15,027	10,254	25,281

16. AUDITORS' REMUNERATION

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Statutory audit fee	60	70	80	210	60	70	80	210
Half yearly review fee	25	32	29	86	25	32	29	86
Out of pocket expenses	8	11	11	30	8	11	11	30
Sindh Sales Tax	8	9	10	27	8	9	10	27
	101	122	130	353	101	122	130	353

17. TAXATION

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

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A Part IV to Second Schedule of the Income Tax Ordinance 2001.

18. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments as at June 30, 2022 and June 30, 2021.

19. TRANSACTIONS/BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include HBL Asset Management Limited (HBL-AML) being the Pension Fund Manager of the Fund, Habib Bank Limited (HBL) being the Sponsor (holding 100% shares of HBL Asset Management Limited), Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other associated companies of HBL AML and its subsidiaries, other collective investment schemes 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 of the units of the Fund.

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.

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

19.1 Transactions during the year

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration including Sindh Sales Tax thereon	4,341	2,897	3,706	10,944	3,693	3,313	3,101	10,107
Habib Bank Limited - Sponsor								
Units redeemed	80,838	-	-	80,838	-	-	-	-
Amount of units redeemed	26,000	-	-	26,000	-	-	-	-
Bank charges	26	18	22	66	23	10	13	46
Profit on bank deposits earned	183	3,059	8,805	12,047	379	862	846	2,087
Directors and their relatives								
Reallocation of units	1,300	(1,815)	(348)	(863)	(1,528)	1,869	1,145	1,486
Amount of units reallocated	481	(412)	(69)	-	(604)	393	211	-
Units redeemed	114	233	760	1,107	-	-	-	-
Amount of units redeemed	43	53	149	245	-	-	-	-
Issuance of units	-	-	-	-	2,375	-	-	-
Amount of units issued	-	-	-	-	1,000	-	-	-
Executives and their relatives								
Issuance of units	12	-	-	12	-	-	-	-
Amount of units issued	5	-	-	5	-	-	-	-
Reallocation of units	119	(195)	(76)	(76)	14	(26)	-	(12)
Amount of units reallocated	44	(44)	-	-	6	(6)	-	-

	2022				2021			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
Central Depository Company of Pakistan Limited - Trustee								
Trustee's Remuneration including Sindh Sales Tax thereon	331	373	514	1,218	370	331	310	1,011
Central Depository System charges	27	7	7	41	36	7	7	50
Directors of connected persons								
Units issued	853	777	55,290	56,920	-	15,555	17,721	33,276
Amount of units issued	319	172	10,814	11,305	-	3,244	3,244	6,488
Units reallocated	56	(91)	-	(35)	(45)	85	-	40
Amount of units reallocated	21	(21)	-	-	(18)	18	-	-
19.2 Balances outstanding as at year end								
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration payable	364	173	154	691	263	234	305	802
Sindh Sales Tax payable	47	22	20	89	34	30	40	104
Sales load payable	-	-	-	-	7	19	20	46
Habib Bank Limited - Sponsor								
Units held	122,239	-	-	122,239	203,077	-	-	203,077
Amount of units held	38,214	-	-	38,214	88,003	-	-	88,003
Bank balances	2,396	228,741	358,548	589,685	3,880	37,666	53,992	95,538
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Units held	15,537	51,524	19,729	86,790	13,796	51,540	14,684	80,020
Amount of units held	4,863	12,160	4,064	21,087	5,978	11,111	2,745	19,834
Executives and their relatives								
Units held	2,098	2,226	-	4,324	1,954	2,421	-	4,375
Amount of units held	657	525	-	1,182	847	522	-	1,369
Directors of Connected Persons								
Units held	1,727	1,514	138,659	141,900	818	828	83,369	85,015
Amount of units held	541	357	28,546	29,444	354	178	15,584	16,116
Central Depository Company of Pakistan Limited - Trustee								
Trustee's remuneration payable	22	38	54	114	32	27	35	94
Security Deposit receivable	100	100	100	300	100	100	100	300

20. FINANCIAL INSTRUMENTS BY CATEGORY

	2022											
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund			
	At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total	At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total	At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total
(Rupees in '000)												
Financial assets												
Bank balances	3,321	-	-	3,321	229,087	-	-	229,087	358,775	-	-	358,775
Investments	-	-	127,901	127,901	-	-	60,896	60,896	-	-	37,522	37,522
Dividend and profit / markup receivable	144	-	144	5,809	-	-	5,809	7,818	-	-	7,818	13,771
Deposits and other receivables	3,368	-	-	3,368	100	-	-	100	100	-	-	100
	6,833	-	127,901	134,734	234,996	-	60,896	295,892	366,693	-	37,522	404,215
Financial liabilities												
Payable to HBL Asset Management Limited - Pension Fund Manager	364	-	-	364	173	-	-	173	154	-	-	154
Payable to Central Depository Company of Pakistan Limited - Trustee	22	-	-	22	38	-	-	38	54	-	-	54
Accrued expenses and other liabilities	101	-	-	101	77	-	-	77	98	-	-	98
	487	-	-	487	288	-	-	288	306	-	-	306

	2021												
	Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				Total
	At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total	At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total	At Amortised Cost	At fair value through other comprehensive income	At fair value through profit or loss	Total	
	(Rupees in '000)												
Financial assets													
Bank balances	11,229	-	-	11,229	75,173	-	-	75,173	105,269	-	-	105,269	191,671
Investments	-	-	208,734	208,734	-	-	117,488	117,488	-	-	157,867	157,867	484,089
Dividend and profit receivable	403	-	-	403	1,990	-	-	1,990	326	-	-	326	2,719
Deposits and other receivables	2,600	-	-	2,600	100	-	-	100	100	-	-	100	2,800
	<u>14,232</u>	<u>-</u>	<u>208,734</u>	<u>222,966</u>	<u>77,263</u>	<u>-</u>	<u>117,488</u>	<u>194,751</u>	<u>105,695</u>	<u>-</u>	<u>157,867</u>	<u>263,562</u>	<u>681,279</u>
Financial liabilities													
Payable to HBL Asset Management Limited - Pension Fund Manager	270	-	-	270	253	-	-	253	325	-	-	325	848
Payable to Central Depository Company of Pakistan Limited - Trustee	32	-	-	32	27	-	-	27	35	-	-	35	94
Accrued expenses and other liabilities	6,170	-	-	6,170	558	-	-	558	965	-	-	965	7,693
	<u>6,472</u>	<u>-</u>	<u>-</u>	<u>6,472</u>	<u>838</u>	<u>-</u>	<u>-</u>	<u>838</u>	<u>1,325</u>	<u>-</u>	<u>-</u>	<u>1,325</u>	<u>8,635</u>

21. FINANCIAL RISK MANAGEMENT

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

21.1 Market risk

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

The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan. The maximum risk resulting from financial instruments equals their fair values.

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

21.1.1 Currency risk

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

21.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Equity Sub Fund holds balance in savings accounts that expose to cash flow interest rate risk as at June 30, 2022. The net income for the year would have increased / (decreased) by Rs. 0.03 million (2021: Rs. 0.11 million) of Equity Sub-Fund, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

The Debt Sub Fund and Money Market Sub Funds holds balance in saving accounts and KIBOR based interest bearing term finance certificate and corporate sukuk bonds that expose to cash flow interest rate risk as at June 30, 2022. The net income for the year would have increased / (decreased) by Rs. 2.74 & 3.84 million (2021: Rs. 1.08 & 1.05 million) of Debt Sub-Fund and Money market Sub-Fund respectively, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

As at June 30, 2022, the Debt Sub-Fund and Money Market Sub-Fund does not holds any instrument that expose the Fund to fair value interest rate risk.

As at June 30, 2022, the Debt Sub-Fund and Money Market Sub-Fund Investments in commercial papers is expose the Fund to fair value interest rate risk.

As at June 30, 2022, the Debt Sub-Fund and Money Market Sub-Fund holds Investment in commercial papers that expose the Fund to fair value interest rate risk. In case of 100 basis points increase / (decrease) in rates announced by Financial Market association of Pakistan on June 30, 2022, with all other variables held constant, the net assets of the Debt Sub-Fund and Money Market Sub-Fund would have been higher / (lower) by Rs. 0.16 and 0.13 million respectively and net income of the Fund would have been higher / (lower) by Rs. 0.16 and 0.13 million respectively.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2022 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

Yield / Interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off balance sheet instruments is based on settlement date.

	2022																		
	Equity Sub-Fund					Debt Sub-Fund					Money Market Sub-Fund								
	Effective Yield / interest rate	Exposed to yield / interest rate	More than three months and up to one year	More than three months and up to one year	Not exposed to yield / interest rate risk	Total	Effective Yield / interest rate	Exposed to yield / interest rate	More than three months and up to one year	More than three months and up to one year	Not exposed to yield / interest rate risk	Total	Effective Yield / interest rate	Exposed to yield / interest rate	More than three months and up to one year	More than three months and up to one year	Not exposed to yield / interest rate risk	Total	
(%)	(Rupees in '000)					(%)	(Rupees in '000)					(%)	(Rupees in '000)						
On-balance sheet financial instruments																			
Financial assets																			
Bank balances	5.5 % - 17.55 %	3,321	-	-	-	3,321	5.5 % - 17.55 %	229,087	-	-	-	229,087	5.5 % - 17.55 %	358,775	-	-	-	358,775	591,183
Investments in Equity Listed securities	-	-	-	-	127,901	127,901	-	-	-	-	-	-	-	-	-	-	-	-	127,901
Investments - Government securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments - Commercial papers	-	-	-	-	-	-	13.59%	16,376	-	-	-	16,376	13.59%	12,522	-	-	-	12,522	28,898
Investment in TFC and sukuk bonds	-	-	-	-	-	-	KIBOR plus 0.75% to 3%	-	44,520	-	-	44,520	KIBOR plus 0.95%	-	25,000	-	-	25,000	69,520
Dividend and profit / markup receivable	-	-	-	-	144	144	-	-	-	-	5,809	5,809	-	-	-	-	7,818	7,818	13,771
Deposits and other receivables	-	-	-	-	3,368	3,368	-	-	-	-	100	100	-	-	-	-	100	100	3,568
		3,321	-	-	131,413	134,734		245,463	44,520	-	5,909	295,892		371,297	25,000	-	7,918	404,215	834,841
Financial liabilities																			
Payable to HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	364	364	-	-	-	-	173	173	-	-	-	-	154	154	691
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	22	22	-	-	-	-	38	38	-	-	-	-	54	54	114
Accrued expenses and other liabilities	-	-	-	-	101	101	-	-	-	-	77	77	-	-	-	-	98	98	276
		-	-	-	487	487		-	-	-	288	288		-	-	-	306	306	1,081
On-balance sheet gap (a)		3,321	-	-	130,926	134,247		245,463	44,520	-	5,621	295,604		371,297	25,000	-	7,612	403,909	833,760
Off-balance sheet financial instruments																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap (b)																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		3,321	-	-	-	-		245,463	44,520	-	-	-		371,297	25,000	-	-	-	-
Cumulative interest rate sensitivity gap		3,321	-	-	-	-		245,463	289,983	-	-	-		371,297	396,297	-	-	-	-

	2021																			
	Equity Sub-Fund					Debt Sub-Fund					Money Market Sub-Fund				Total					
	Exposed to yield / interest rate risk				Total	Exposed to yield / interest rate risk				Total	Exposed to yield / interest rate risk				Total					
Yield / Interest rate	Up to three months	More than three months and up to one year	More than one year	Yield / Interest rate		Up to three months	More than three months and up to one year	More than one year	Yield / Interest rate		Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest rate risk						
(%)	(Rupees in '000)				(%)	(Rupees in '000)				(%)	(Rupees in '000)									
On-balance sheet financial instruments																				
Financial assets																				
Bank balances	5.5 %-8.65 %	11,229	-	-	-	11,229	5.5 %-8.65 %	75,173	-	-	-	-	75,173	5.5 %-8.65 %	105,269	-	-	-	105,269	191,671
Investments in Equity Listed securities		-	-	-	208,734	208,734		-	-	-	-	-	-		-	-	-	-	-	208,734
Investments - Government securities		-	-	-	-	-	7% - 12%	-	29,801	46,758	-	-	76,559	7% - 12%	80,492	68,452	-	-	148,944	225,503
Investments - Commercial papers		-	-	-	-	-	0.08	7,932	-	-	-	-	7,932	8%	8,923	-	-	-	8,923	16,855
Investment in TFC and sukuk bonds		-	-	-	-	-	KIBOR plus 0.75% to 3%	-	3,134	29,863	-	-	32,997		-	-	-	-	-	32,997
Dividend and profit / markup receivable		-	-	-	403	403		-	-	-	1,990	1,990		-	-	-	-	326	326	2,719
Deposits and other receivables		-	-	-	2,631	2,631		-	-	-	205	205		-	-	-	-	179	179	3,015
		11,229	-	-	211,768	222,997		83,105	32,935	76,621	2,195	194,856		194,684	68,452	-	-	505	263,641	681,494
Financial liabilities																				
Payable to HBL Asset Management Limited - Pension Fund Manager		-	-	-	304	304		-	-	-	283	283		-	-	-	-	365	365	952
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	32	32		-	-	-	27	27		-	-	-	-	35	35	94
Accrued expenses and other liabilities		-	-	-	6,174	6,174		-	-	-	561	561		-	-	-	-	968	968	7,703
		-	-	-	6,510	6,510		-	-	-	871	871		-	-	-	-	1,368	1,368	8,749
On-balance sheet gap (a)		11,229	-	-	205,258	216,487		83,105	32,935	76,621	1,324	193,985		194,684	68,452	-	-	(863)	262,273	672,745
Off-balance sheet financial instruments																				
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-		-	-	-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		11,229	-	-	205,258	216,487		83,105	32,935	76,621	1,324	193,985		194,684	68,452	-	-	(863)	262,273	672,745
Cumulative interest rate sensitivity gap		11,229	-	-	205,258	216,487		83,105	116,040	192,661	-	-		194,684	263,136	-	-	-	-	-

21.1.3 Other market price risk

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

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

The Fund's overall market positions are monitored on a quarterly basis by the Board of Directors of the Pension Fund Manager. Details of the Fund's investment portfolio exposed to price risk, at the reporting date are disclosed in note 6 to these financial statements. The Fund's overall exposure to price risk is limited to the fair value of those positions. The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector and benchmarking the sector weighting to that of the PSX 100 index. The Fund's policy is to concentrate the investment portfolio in sectors where management believes that the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

The net assets of the Fund will increase / decrease by approximately Rs. 6.40 million (2021: Rs. 10.44 million) if the prices of equity vary due to increase / decrease in the PSX 100 index. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the PSX 100 index and that the PSX 100 index increases / decreases by 5% with all other factors held constant.

The Pension Fund Manager uses the PSX 100 index as a reference point in making investment decisions. However, the Pension Fund Manager does not manage the Fund's investment strategy to track the PSX 100 index or any other index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition as at 30 June 2022 and the historical correlation of the securities comprising the portfolio of the PSX 100 index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of 30 June 2022 is not necessarily indicative of the effect on the Fund's net assets attributed to units of future movements in the level of the PSX 100 Index.

21.2 Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from the inability of the relevant brokerage house or the counter party to fulfill their obligations. There is a possibility of default by participants or failure of the financial markets / stock exchanges, the depositories, the settlements or clearing system, etc.

The Fund's credit risk is primarily attributable to its investment in debt securities and government securities, balances with banks and advances, deposits and other receivables. The credit risk of the Fund is limited as the investments are made and balances are maintained with counter parties that are financial institutions with reasonably high credit ratings. Risk attributable to investment in government securities is limited as these are guaranteed by the Federal Government.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. In addition, the risk is managed through the assignment of credit limits and by following strict credit evaluation criteria laid down by the Pension Fund Manager.

The maximum exposure to credit risk is as follows:

	Rating Agency	Rating	2022			Total
			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	
----- (Rupees in '000) -----						
Bank balances						
Habib Bank Limited	VIS	A-1+	2,396	228,741	358,548	589,685
Bank Alfalah Limited	PACRA	A-1+	6	99	92	197
Zarai Taraqiat Bank Limited	VIS	A-1+	-	0.15	-	-
Allied Bank Limited	PACRA	A-1+	-	11	39	50
MCB Bank Limited	PACRA	A-1+	-	-	12	12
Askari Bank Limited	PACRA	A-1+	-	-	14	14
Soneri Bank Limited	PACRA	A-1+	673	27	-	700
Dubai Islamic Bank	VIS	A-1+	-	-	16	16
JS Bank Limited	PACRA	A-1+	7	-	-	7
Faysal Bank Limited	PACRA	A-1+	239	51	53	343
Sindh Bank Limited	VIS	A-1	-	-	1	1
Khushali Micro Finance Bank Limited	VIS	A-1	-	51	-	51
First Micro Finance Bank Limited	VIS	A-1	-	107	-	107
			3,321	229,087	358,775	591,183
Term finance certificates and sukuk bonds by rating category						
Bank of Punjab	PACRA	A-1+	-	6,010	-	6,010
Bank Alfalah Limited	PACRA	A-1+	-	11,060	-	11,060
Hub Power Company Limited - 270422	PACRA	A-1+	-	5,000	-	5,000
Pak Electron Limited	PACRA	A-1	-	11,925	-	11,925
OBS AGP	VIS	A+	-	2,010	-	2,010
TPL Trakker Limited	PACRA	A-2	-	3,350	-	3,350
Jahangir Siddiqui and Company Limited	PACRA	A-1+	-	5,165	-	5,165
K-Electric Limited	PACRA	A-1+	-	-	25,000	25,000
			-	44,520	25,000	69,520
Investment in commercial paper						
China Power Hub Generation Company	PACRA	A-1+	-	16,376	12,522	28,898
Dividend and profit receivable			144	4,670	7,056	11,870
Deposits			2,600	100	100	2,800
Total			6,065	294,753	403,453	704,271

			2021			
Rating Agency			Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
			(Rupees in '000)			
Bank balances including the accrued mark-up thereon by rating category						
Habib Bank Limited	VIS	A-1+	3,880	37,666	53,992	95,538
Zarai Taraqati Bank Limited	VIS	A-1+	-	5	4	9
Allied Bank Limited	PACRA	A1+	-	37,728	50,782	88,510
MCB Bank Limited	PACRA	A1+	-	-	11	11
Askari Bank Limited	PACRA	A1+	-	-	13	13
Soneri Bank Limited	PACRA	A1+	-	-	737	737
Dubai Islamic Bank	VIS	A-1+	-	-	16	16
JS Bank Limited	PACRA	A1+	7,365	-	12	7,377
Faysal Bank Limited	PACRA	A-1+	2	1	25	28
Sindh Bank Limited	VIS	A-1	-	-	1	1
HBL Micro Finance Bank Limited	PACRA	A-1	-	10	-	10
			<u>11,247</u>	<u>75,410</u>	<u>105,593</u>	<u>192,250</u>
Government Securities						
Treasury bills			-	29,801	-	29,801
Pakistan investment bonds			-	46,758	-	46,758
			-	76,559	-	76,559
Term finance certificates and sukuk bonds by rating category						
AAA	PACRA		-	285	-	285
AA+	PACRA		-	11,771	-	11,771
AA	PACRA		-	16,846	-	16,846
A+	PACRA		-	4,095	-	4,095
			-	32,997	-	32,997
Investment in commercial paper						
A1+	PACRA		-	7,932	8,923	16,855

The maximum exposure to credit risk before any credit enhancement as at June 30, 2022 is the carrying amount of the financial assets.

Concentration of credit risk

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

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

	2022					
	Equity	%	Debt	%	Money Market	%
	Sub-Fund		Sub-Fund		Sub-Fund	
	(Rupees in '000)					
Commercial banks	3,465	57%	233,757	79.31	365,831	90.67
Commercial papers	-	0%	16,376	5.56	12,522	3.10
Commercial banks (Investment in sukuk certificate)	-	0%	17,070	5.79	-	-
Multiutilities (investment in sukuk certificate)	-	0%	5,000	1.70	25,000	6.20
Fertilizers (investment in sukuk certificate)	-	0%	-	-	-	-
Miscellaneous (investment in sukuk certificate)	-	0%	22,450	7.62	-	-
Central Depository Company of Pakistan - security deposit	100	2%	100	0.03	100	0.02
National Clearing Company of Pakistan Limited - security deposit	2,500	41%	-	-	-	-
	6,065	100%	294,753	100	403,453	100
	2021					
	Equity	%	Debt	%	Money Market	%
	Sub-Fund		Sub-Fund		Sub-Fund	
	(Rupees in '000)					
Commercial banks	11,266	81%	75,647	64.84	105,921	99.91
Commercial papers	-	0%	7,932	6.80	-	-
Commercial banks (Investment in sukuk certificate)	-	0%	17,820	15.27	-	-
Multiutilities (Investment in sukuk certificate)	-	0%	1,496	1.28	-	-
Fertilizers (Investment in sukuk certificate)	-	0%	-	-	-	-
Miscellaneous (Investment in sukuk certificate)	-	0%	13,681	11.73	-	-
Central Depository Company of Pakistan - security deposit	100	1%	100	0.09	100	0.09
National Clearing Company of Pakistan Limited - security deposit	2,500	18%	-	-	-	-
	13,866	100%	116,676	100	106,021	100

Settlement risk

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

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

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the participant's option based on the Fund's net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP). The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realizable.

The Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of the total net asset value at the time of borrowing with repayment within 90 days of such borrowings. No such borrowings were made during the year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund			Total
	Carrying amount	Less than 1 month	Within 3 months	Carrying amount	Less than 1 month	Within 3 months	Carrying amount	Less than 1 month	Within 3 months	
June 30, 2022	----- (Rupees in '000) -----									
Financial Liabilities										
Payable to HBL Asset Management Limited - Pension Fund Manager	364	364	-	173	173	-	154	154	-	691
Payable to Central Depository Company of Pakistan Limited - Trustee	22	22	-	38	38	-	54	54	-	114
Accrued expenses and other liabilities	101	101	-	77	77	-	98	98	-	276
	487	487	-	288	288	-	306	306	-	1,081
June 30, 2021	----- (Rupees in '000) -----									
Financial Liabilities										
Payable to HBL Asset Management Limited - Pension Fund Manager	270	270	-	253	283	-	365	365	-	888
Payable to the Trustee	32	32	-	27	27	-	35	35	-	94
Accrued expenses and other liabilities	6,170	6,170	-	558	561	-	968	968	-	7,696
	6,472	6,472	-	838	871	-	1,368	1,368	-	8,678

The above mentioned financial liabilities do not carry any mark-up.

Units of the Fund are redeemable on demand at the participants' option. However, unit holders typically retain them from medium to long term.

22. PARTICIPANTS' FUNDS RISK MANAGEMENT (CAPITAL RISK)

The participants' fund is represented by redeemable units. These units are entitled to payment of a proportionate share, based on the Fund's net asset value per unit on the redemption date.

The Fund has no restrictions on the subscription and redemption of units. There is no specific capital requirement which is applicable to the Fund.

The Fund's objectives when managing participants' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to participants and to maintain a strong base of assets under management.

In accordance with the risk management policies stated in note 23, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the participants of the Fund have invested with long term objective, the possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in such sub-fund.

23. 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.

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

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

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

IFRS 13, 'Fair Value Measurements' requires the Fund to 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

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

		Held by Equity sub-fund						
		2022						
Note	At fair value through profit or loss	Carrying amount		Fair Value				
		Amortised cost	Total	Level 1	Level 2	Level 3	Total	
		(Rupees in '000)						
Financial assets measured at fair value								
	Listed equity securities	127,901	-	127,901	127,901	-	-	127,901
Financial assets not measured at fair value								
23.1	Bank balances	-	3,321	3,321	-	-	-	-
	Dividend and profit receivable	-	144	144	-	-	-	-
	Deposits and other receivables	-	3,368	3,368	-	-	-	-
		-	6,833	6,833	-	-	-	-
Financial liabilities not measured at fair value								
23.1	Payable to HBL Asset Management Limited - Pension Fund Manager	-	364	364	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	-	22	22	-	-	-	-
	Accrued expenses and other liabilities	-	101	101	-	-	-	-
		-	487	487	-	-	-	-

Held by Equity sub-fund							
2021							
Note	Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
Listed equity securities	208,734	-	208,734	208,734	-	-	208,734
	208,734	-	208,734	208,734	-	-	208,734
Financial assets not measured at fair value							
23.1	Bank balances	11,229	11,229	-	-	-	-
	Dividend and profit receivable	403	403	-	-	-	-
	Deposits and other receivables	2,600	2,631	-	-	-	-
		14,232	14,263	-	-	-	-
Financial liabilities not measured at fair value							
23.1	Payable to HBL Asset Management Limited - Pension Fund Manager	270	304	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	32	32	-	-	-	-
	Accrued expenses and other liabilities	6,170	6,174	-	-	-	-
		6,472	6,510	-	-	-	-

Held by Debt sub-fund							
2022							
Note	Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
23.4	Investments - Term finance certificates and sukuk bonds	-	44,520	-	44,520	-	44,520
23.3	Investments-Commercial Papers	-	16,376	-	-	16,376	16,376
		-	60,896	-	44,520	16,376	60,896
Financial assets not measured at fair value							
23.1	Bank balances	229,087	229,087	-	-	-	-
	Dividend and profit receivable	5,809	5,809	-	-	-	-
	Deposits and other receivables	100	100	-	-	-	-
		234,996	234,996	-	-	-	-
Financial liabilities not measured at fair value							
23.1	Payable to HBL Asset Management Limited - Pension Fund Manager	173	173	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	38	38	-	-	-	-
	Accrued expenses and other liabilities	77	77	-	-	-	-
		288	288	-	-	-	-

Held by Debt sub-fund							
2021							
Note	Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							
Financial assets measured at fair value							
	Investments - Government securities	-	76,559	-	76,559	-	76,559
	Investments - Term finance certificates and sukuk bonds - Unlisted	-	32,997	-	32,997	-	32,997
	Investments-Commercial Papers	-	7,932	-	-	7,932	7,932
		-	117,488	-	109,556	7,932	117,488
Financial assets not measured at fair value							
23.1	Bank balances	75,173	75,173	-	-	-	-
	Dividend and profit receivable	1,990	1,990	-	-	-	-
	Deposits and other receivables	205	205	-	-	-	-
		77,368	77,368	-	-	-	-
Financial liabilities not measured at fair value							
23.1	Payable to HBL Asset Management Limited - Pension Fund Manager	253	283	-	-	-	-
	Payable to Central Depository Company of Pakistan Limited - Trustee	27	27	-	-	-	-
	Accrued expenses and other liabilities	558	561	-	-	-	-
		838	871	-	-	-	-

Held by Money Market sub-fund							
2022							
Note	Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
	25,000	-	25,000	-	25,000	-	25,000
23.4	12,522	-	12,522	-	-	12,522	12,522
23.3	37,522	-	37,522	-	25,000	12,522	37,522
Financial assets not measured at fair value							
23.1	-	358,775	358,775	-	-	-	-
	-	7,818	7,818	-	-	-	-
	-	100	100	-	-	-	-
	-	366,693	366,693	-	-	-	-
Financial liabilities not measured at fair value							
23.1	-	154	154	-	-	-	-
	-	54	54	-	-	-	-
	-	98	98	-	-	-	-
	-	306	306	-	-	-	-

Held by Money Market sub-fund							
2021							
Note	Carrying Amount			Fair Value			
	At fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
	148,944	-	148,944	-	148,944	-	148,944
	8,923	-	8,923	-	-	8,923	8,923
	157,867	-	157,867	-	148,944	8,923	157,867
Financial assets not measured at fair value							
23.1	-	105,269	105,269	-	-	-	-
	-	326	326	-	-	-	-
	-	179	179	-	-	-	-
	-	105,774	105,774	-	-	-	-
Financial liabilities not measured at fair value							
23.1	-	325	325	-	-	-	-
	-	35	35	-	-	-	-
	-	965	965	-	-	-	-
	-	1,325	1,325	-	-	-	-

- 23.1** 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.
- 23.2** There were no transfers between above levels during the year
- 23.3** The valuation of commercial papers has been done based on amortisation of commercial paper to its fair value as per the guidelines given in Circular 33 of 2012 since the residual maturity of this investment is less than six months and they are placed with counterparties which have high credit rating.
- 23.4** For level 2 investments at fair value through profit or loss - investment in respect of corporate sukuk bonds, Fund uses rates which are prescribed by MUFAP at reporting date in accordance with the methodology prescribed by SECP vide its circular no. 1 of 2009 dated January 6, 2009 and circular no. 33 of 2012 dated October 24, 2012 at reporting date.

24. FINANCIAL PERFORMANCE

	Equity Sub-Fund					
	2022	2021	Change	2020	2019	2018
	(Rupees in '000)		(%)	(Rupees in '000)		
Equity sub-fund						
Net income for the year before taxation	(61,206)	61,820	(199.01)	7,999	(35,655)	(9,744)
Net (loss) / gain on sale of investments	(35,591)	37,698	(194.41)	4,767	(15,488)	(2,189)
Net unrealised gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss	(33,180)	21,284	(255.89)	(3,813)	(27,404)	(29,147)
Dividend income / Mark-up income on bank deposits	10,565	9,712	8.78	11,980	12,844	12,605
Transactions in securities						
Purchases	191,861	287,266	(33.21)	252,367	252,367	221,773
Sales	203,924	332,123	(38.60)	261,135	261,135	178,889
Amount received on issuance of units	152,166	178,258	(14.64)	38,004	79,979	71,279
Net assets value per unit	312.6181	433.3512	(27.86)	324.3643	315.2585	366.3184
Debt Sub-Fund						
	2022	2021	Change	2020	2019	2018
	(Rupees in '000)		(%)	(Rupees in '000)		
Debt sub-fund						
Net income for the year before taxation	21,001	9,015	132.96	31,334	11,861	8,233
Net (loss) / gain on sale of investments	(562)	(4,859)	(88.43)	5,408	418	82
Net unrealised (loss) / gain on revaluation of investments classified as financial assets at fair value through profit or loss	(677)	965	(170.16)	9,045	(248)	(344)
Mark-up income on bank deposits / Mark-up on investments	24,298	16,939	43.44	21,014	14,824	12,044
Transactions in securities						
Purchases	669,517	1,003,505	(33.28)	2,107,769	2,107,769	1,416,184
Sales	683,247	806,038	(15.23)	1,984,594	1,984,594	1,344,113
Amount received on issuance of units	364,745	281,762	29.45	83,229	44,698	72,342
Net assets value per unit	236.4216	215.5798	9.67	205.9216	171.9703	159.5394
Money Market Sub-Fund						
	2022	2021	Change	2020	2019	2018
	(Rupees in '000)		(%)	(Rupees in '000)		
Money market sub-fund						
Net income for the year before taxation	30,186	9,473	218.65	13,548	11,174	6,548
Net gain / (loss) on sale of investments	61	(42)	(245.24)	172	35	(9)
Net unrealised gain / (loss) on revaluation of investments classified as financial assets at fair value through profit or loss	-	49	100.00	22	-	7
Mark-up income on bank deposits / Mark-up on investments	33,742	13,249	154.68	16,110	13,929	9,785
Transactions in securities						
Purchases	1,826,892	1,286,083	42.05	2,426,778	2,426,778	1,040,483
Sales	1,824,483	749,310	143.49	2,161,638	2,161,638	911,274
Amount received on issuance of units	488,306	401,535	21.61	38,700	71,280	49,435
Net assets value per unit	205.8763	186.9322	10.13	177.6024	158.7278	147.2662
Highest and lowest issue price of units during the year						
	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund	
	2022	2021	2022	2021	2022	2021
	(Rupees)					
Highest issue price	439.2861	446.7589	236.4216	206.3224	205.8763	177.6024
Lowest issue price	310.8269	330.9067	215.7170	172.0734	186.9957	158.8240

25. 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 year ended June 30, 2022 is 3.45%, 1.83% and 1.50% respectively which includes 0.38%, 0.22% and 0.16% respectively representing Government levy and SECP fee.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on August 29, 2022.

27. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director



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