

HBL

ASSET MANAGEMENT LTD.
ایسٹٹ مینجمنٹ لمیٹڈ



HBL Pension Fund & HBL Islamic Pension Fund

Quarterly
REPORT **2021**

For the period ended September 30, 2021

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 28, 2021)

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

Audit Committee

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

Human Resource Committee

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

Risk Management Committee

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

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Muhammad Afaq Khan	(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 three months ended September 30, 2021.

Economic Review

The Government has adopted a pro-growth budget for FY22, whereby it expects a GDP growth rate of 4.8% on the back of higher PSDP expenditure and incentives given to agriculture and industrial sectors. In its Monetary Policy meeting held on 20-Sep-21, the Monetary Policy Committee (MPC) noted that the pace of economic recovery has exceeded expectations, and focus should now be shifted from catalyzing economic recovery toward sustaining it. In order to ensure sustainability of growth, the MPC decided to increase the Policy Rate by 25bps to 7.25%.

The Current Account Deficit (CAD) for Aug-21 clocked in at USD 1.48bn, taking 2MFY22 CAD to USD 2.29bn, compared to a surplus of 838mn during the same period last year. This was primarily driven by a higher trade deficit as the growth in goods imported (up ~68%) outstripped the growth in goods exported (up ~35%). In order to curtail the rapid increase in CAD, the Government has taken several measures, such as increasing interest rate, imposing 100% cash margin requirement on import of additional 114 items, mandating banks to seek permission for import payments of USD 500,000 or more, and evaluating re-imposition of duties on non-essential imports.

CPI for Sep-21 clocked in at 8.98%, taking 1QFY22 average CPI to 8.56%, compared to 8.85% during the same period last year. The increase in CPI was largely driven by higher food and fuel prices, which have been on a rising trajectory owing to demand-side pressures as global economies begin to reopen, while supply-side constraints still persist.

Fiscal deficit for FY21 clocked in at 7.1%, while the Government has set a target of 6.3% for FY22. Fiscal deficit in Jul-21 clocked in at 0.4% of GDP compared to 0.5% of GDP during the same period last year. FBR's Tax Revenue for FY22 is projected to grow by 22% to PKR 5,829bn, while Non-Tax Revenue is projected to grow by 38% to PKR 2,080bn. FBR has exceeded its tax collection target for 1QFY22 as it has provisionally collected PKR 1,395bn against the target of PKR 1,211bn.

During Jul-21, LSM witnessed an increase of 2.3% against 8.1% in Jul-20. The growth in LSM was largely driven by Automobiles (44.6%), Wood Products (24.2%), and Chemicals (13.6%). The LSM growth slowed down temporarily due to closure of industrial activities during Eid holidays. However, the recent uptrend in sales of automobiles, petroleum products and cement dispatches is expected to boost LSM in the coming months.

Stock Market Review

During 1QFY22, the KSE-100 index declined by 2,456 pts or 5.2% to close at 44,900 pts while KMI-30 index declined by 4,305 pts or 5.6% to close at 76,621 pts. The market remained lackluster during the first two months however declined significantly in Sep-21. The primary reasons for the market being under pressure were 1) Rapid increase in CAD due to rising domestic demand and significant increase in international commodity prices, 2) weakening PKR against the USD – 8.30% depreciation in 1QFY22, 3) Commencement of Monetary Tightening with SBP's MPS increasing the benchmark policy rate by 25bps in the last MPS as they noted that the burden of adjusting the rising CAD had fallen primarily on the exchange rate and it was appropriate for other adjustment tools, including interest rates, to also play their due role, 4) Geo-political issues in the region with heightened uncertainty due to the situation in Afghanistan and a possible reset in US-Pakistan relations, 5) Uncertainty surrounding the IMF programme, and 6) Continued foreign selling after Pakistan's reclassification from Emerging to Frontier Market Index.

Average Volumes traded during the month declined by 39.50% QoQ to 141.4mn shares, while the value traded went down by 43.20% QoQ to 7.4bn. On the flows side, foreigners were the net sellers during 1QFY22 and sold shares worth USD 83.4mn.

We expect market direction in the near-term to be dictated by changes in international commodity prices, developments on the IMF front, and possible improvement in macro indicators following corrective measures taken by the authorities. We believe there is ample liquidity available with local investors which, coupled with expected foreign inflows post Pakistan's inclusion in the MSCI FM index, should lead to re-rating of the equity market.

Our longer-term equity outlook remains positive on account of increase in pace of COVID-19 vaccinations, easing geo-political concerns, and reversal of commodity cycle.

Money Market Review

The Central bank continued with the stance of supporting economic recovery even post COVID and kept the policy rate static till September 19, 2021. However, during the recent Monetary Policy the committee noted that pace of the economic recovery has exceeded expectations. Robust recovery in domestic demand, coupled with higher international commodity prices and rising demand pressures lead to a strong uptick in imports and a rise in the current account deficit. Rising demand pressures together with higher imported inflation could result in higher CPI readings later in the fiscal year which led the State Bank of Pakistan to proactively increase the interest rate by 0.25%. Continued progress in vaccination, the economic recovery now appears less vulnerable.

Yields across all the tenors changed between +22bps to +92 bps during 3MFY22 expectations that we may witness further hike in interest rate during FY22. Secondary market yields of 3, 5 and 10-year PIBs increased by 73, 46 and 51 bps respectively while yields of 3, 6 and 12 month T-Bills increased in tandem by 31, 46 and 92 bps respectively during the period. The cut-off yields in the last T-Bill Auction were 7.64% and 7.98% for 3M and 6M tenor whereas the 12M tenor was rejected. The cut offs in the last PIB Auction pre-MPS were 8.88%, 9.18% and 9.83% for the 3Y, 5Y, and 10Y tenor.

On September 27, 2021 government announced the issuance for the new GoP Ijarah Sukuk for which the auction was scheduled on September 30, 2021. The tenor of the Sukuk was 5years and the target for Fixed Rental Rate Sukuk (FRR) and the Variable Rental Rate Sukuk (VRR) were kept at PKR 75bn and PKR 25bn. Participation of PKR 193.1bn was received in the VRR, whereas, PKR 53.83bn was received in FRR. The total acceptance on the FRR was made at 9.70% against which PKR 12.73bn was accepted. The total acceptance in the VRR was made at -10bps over the weighted average 6M T-bills rate and cumulatively PKR 190.5bn was accepted.

Future Outlook

Moving ahead, we believe that GDP growth is likely to remain encouraging on account of sharp pick-up in economic activities. Recent measures to curtail the rapid increase in CAD should also ease pressure on the local currency. We expect CAD to clock in at USD 10.3bn (3.2% of GDP) in FY22, owing to increase in trade deficit due to strong rebound in domestic demand, higher international commodity prices, and resumption of international travel. Given nominal GDP growth of ~13%, and currency depreciation of ~6%, we believe that CAD of USD 10-11bn is manageable. Focus would remain on how the Government strikes a balance between achieving the desired economic growth rate, while keeping the external and fiscal accounts in check.

Pakistan equities are expected to perform well in FY22 due to cheap valuations and improvement in macroeconomic outlook following corrective measures taken by the authorities in a timely manner. The market is trading at an eye catching P/E multiple of 5.0x compared to regional average of 15.7x, and offers an attractive dividend yield of 7.7%, compared to regional average of 2.5%. Moreover, as a result of the recent decline, the spread between KSE-100 index earnings yield and 10Y PKRV has increased to 9.5%, compared to 5-year historical average spread of 4.9%, which implies an upside of ~30%. We believe Pakistan equities offer a good opportunity for long-term investors.

On the fixed income front, we believe that inflation will taper down to average 8.4% during FY22 due to high-base effect and expectation of easing in international commodity prices. However, upside risks to our estimate remain in the form of elevated international food and commodity prices for an extended time. On the Islamic front we expect government to issue Ijara Sukuk and Energy Sukuk in FY22 to bridge the fiscal gap. Going forward, strong uptick in imports and a potential rise in the current account deficit will need to be monitored closely.

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. 13.55 million and Rs. 11.62 million respectively during the period under review. The fund size increased from Rs. 665 million as on June 30, 2021 to Rs. 683 million as at September 30, 2021 thereby showing an increase of 3% during the period under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund incurred a total and net loss of Rs. 22.25 million and Rs. 20.45million respectively. The net assets of the Equity sub-fund was Rs. 200 million representing Net Asset Value (NAV) of Rs. 392.6647 per unit as at September 30, 2021. The Sub Fund earned anegative return of 9.39% for the period under review.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned a total income of Rs. 3.18 million and Rs. 3.72million respectively. The net assets of the Debt sub-fund was Rs. 198 million representing Net Asset Value (NAV) of Rs. 219.8207 per unit as at September 30, 2021. The Fund yielded annualized return of 7.80% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 5.52 million and Rs. 5.11 million respectively. The net assets of the Money Market sub-fund was Rs. 285 million representing Net Asset Value (NAV) of Rs. 190.4477 per unit as at September 30, 2021. An annualized return of 7.46% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

The Fund comprises of three sub funds namely Equity sub-fund, Debt sub-fund and Money Market sub-fund. The Fund as a whole incurred a total and net loss of Rs. 13.97 million and Rs. 10.85 million respectively during the period under review. The fund size decreased from Rs. 347 million as at June 30, 2021 to Rs. 334million as at September 30, 2021 showing a decreaseof 4%. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fundincurred a totaland net loss of Rs. 16.07 million and Rs. 14.06 million respectively. The net assets of the Equity sub-fund was Rs. 180 million representing Net Asset Value (NAV) of Rs. 431.8097 per unit as at September 30, 2021. The Fund yielded anegative return of 7.25% for the period under review.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 2.13 million and Rs. 2.05 million respectively. The net assets of the Debt sub-fund was Rs. 88 million representing Net Asset Value (NAV) of Rs. 175.5964 per unit as at September 30, 2021. The Fund yielded annualized return of 7.94% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 1.20 million Rs. 1.15 million respectively. The net assets of the Money Market sub-fund was Rs. 66 million representing Net Asset Value (NAV) of Rs. 170.6075 per unit as at September 30, 2021. An annualized return of 6.77% was earned by the Fund for the period under review.

Acknowledgement

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

The Board also wishes to place on record its appreciation for the hard work and dedication shown by the staff.

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

HBL

Pension Fund

FUND INFORMATION

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

HBL Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at September 30, 2021

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note	(Rupees in '000)				(Rupees in '000)				
ASSETS									
Bank balances	4	2,238	153,903	263,102	419,243	11,229	75,173	105,269	191,671
Investments - net	5	187,816	44,605	21,389	253,810	208,734	117,488	157,867	484,089
Dividend receivable and accrued mark-up		1,144	1,056	1,920	4,120	403	1,990	326	2,719
Advances, deposits, prepayments and other receivables		9,762	205	210	10,177	2,631	205	179	3,015
Total assets		200,960	199,769	286,621	687,350	222,997	194,856	263,641	681,494
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager		290	275	393	958	304	283	365	952
Payable to the Central Depository Company of Pakistan Limited - Trustee		32	29	41	102	32	27	35	94
Payable to the Securities and Exchange Commission of Pakistan		13	12	17	42	54	49	46	149
Accrued expenses and other liabilities	6	982	1,037	992	3,011	9,977	2,940	2,727	15,644
Total liabilities		1,317	1,353	1,443	4,113	10,367	3,299	3,173	16,839
NET ASSETS		199,643	198,416	285,178	683,237	212,630	191,557	260,468	664,655
PARTICIPANTS' SUB-FUNDS (as per statement attached)		199,643	198,416	285,178	683,237	212,630	191,557	260,468	664,655
Contingencies and commitments									
Number of units in issue	7	508,431	902,623	1,497,407	2,908,461	490,664	888,556	1,393,395	2,772,615
		Rupees				Rupees			
Net asset value per unit		392.6647	219.8207	190.4477		433.3512	215.5798	186.9322	

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Income Statement (Un-audited)

For The Three Months Ended September 30, 2021

Note	Three months ended ended September 30, 2021				Three months ended ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Income								
Dividend income	1,747	-	-	1,747	562	-	-	562
Profit on bank deposits	88	889	3,651	4,628	157	209	482	848
Mark-up / return on investments	-	2,873	1,827	4,700	-	4,189	2,157	6,346
Capital (loss) / gain on sale of investments - net	1,663	318	72	2,053	10,923	(193)	(30)	10,700
Unrealized (loss) / gain on revaluation of investments at fair value through profit or loss	(25,752)	(901)	(24)	(26,677)	20,268	(3,684)	(11)	16,573
	(22,254)	3,179	5,526	(13,549)	31,910	521	2,598	35,029
Expenses								
Remuneration to HBL Asset Management Limited - Pension Fund Manager	900	828	1,165	2,893	985	826	643	2,454
Remuneration of Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-	-
Annual fee to the Securities and Exchange Commission of Pakistan	13	12	17	42	15	12	9	36
Auditors' remuneration	30	29	28	87	38	30	21	89
Other expenses	109	9	10	128	272	-	1	273
Settlement and bank charges	95	-	2	97	9	6	2	17
	1,237	961	1,339	3,537	1,418	957	740	3,115
Net (loss) / income from operating activities	(23,491)	2,218	4,187	(17,086)	30,492	(436)	1,858	31,914
Reversal / (Provision) for Sindh Workers' Welfare Fund	6.2	3,040	1,501	923	5,464	(598)	-	(36)
Net (loss) / income for the period before taxation	(20,451)	3,719	5,110	(11,622)	29,894	(436)	1,822	31,280
Taxation	8.	-	-	-	-	-	-	-
Net (loss) / income for the period after taxation	(20,451)	3,719	5,110	(11,622)	29,894	(436)	1,822	31,280
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive (loss) / income for the period	(20,451)	3,719	5,110	(11,622)	29,894	(436)	1,822	31,280

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Statement Of Movement In Participants Sub Funds (Un-audited)
For The Three Months Ended September 30, 2021

	Three months ended ended September 30, 2021				Three months ended ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Net assets at beginning of the period	212,630	191,557	260,468	664,655	198,309	209,250	138,146	545,705
Amount received on issuance of units	15,956	18,809	34,714	69,479	7,379	14,646	29,744	51,769
Amount paid on redemption of units	(8,492)	(15,669)	(15,114)	(39,275)	(4,672)	(29,728)	(16,590)	(50,990)
Reallocation among Sub-Funds	-	-	-	-	-	-	-	-
Net income for the period	(20,451)	3,719	5,110	(11,622)	29,894	(436)	1,822	31,280
Total comprehensive (loss) / income for the period	(20,451)	3,719	5,110	(11,622)	29,894	(436)	1,822	31,280
Net assets at end of the period	199,643	198,416	285,178	683,237	230,910	193,732	153,122	577,764

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Cash Flow Statement (Un-audited)

For The Three Months Ended September 30, 2021

	Three months ended ended September 30, 2021				Three months ended ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net (loss) / income for the period before taxation	(20,451)	3,719	5,110	(11,622)	29,894	(436)	1,822	31,280
Adjustments:								
Unrealized (loss) / gain on revaluation of investments at fair value through 'profit or loss'	25,752	901	24	26,677	(20,268)	3,684	11	(16,573)
	5,301	4,620	5,134	(8,582)	9,626	3,248	1,833	30,682
(Increase) / decrease in assets								
Investments - net	(4,834)	71,982	136,454	203,602	(5,998)	61,104	(6,598)	48,508
Dividend & profit receivable	(741)	934	(1,594)	(1,401)	(462)	1,899	(68)	1,369
Advances, deposits, prepayments and other receivables	(7,131)	-	(31)	(7,162)	31	107	80	218
	(12,706)	72,916	134,829	195,039	(6,429)	63,110	(6,586)	50,095
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	(14)	(8)	28	6	46	(79)	(27)	(60)
Payable to Central Depository Company of Pakistan Limited - Trustee	-	2	6	8	7	(2)	3	8
Payable to the Securities and Exchange Commission of Pakistan	(41)	(37)	(29)	(107)	(44)	(38)	(27)	(109)
Accrued expenses and other liabilities	(8,995)	(1,903)	(1,735)	(12,633)	(787)	8	43	(736)
	(9,050)	(1,946)	(1,730)	(12,726)	(778)	(111)	(8)	(897)
	(16,455)	75,590	138,233	173,731	2,419	66,247	(4,761)	79,880
Net cash (used in) / generated from operating activities	(16,455)	75,590	138,233	173,731	2,419	66,247	(4,761)	79,880
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	15,956	18,809	34,714	69,479	7,379	14,646	29,744	51,769
Amount paid on redemption of units	(8,492)	(15,669)	(15,114)	(39,275)	(4,672)	(29,728)	(16,590)	(50,990)
Reallocation among Sub-Funds	-	-	-	-	-	-	-	-
Net cash (used in) / generated from financing activities	7,464	3,140	19,600	30,204	2,707	(15,082)	13,154	779
Net increase / (decrease) in cash and cash equivalents	(8,991)	78,730	157,833	227,572	5,126	51,165	8,393	64,684
Cash and cash equivalents at beginning of the period	11,229	75,173	105,269	191,671	8,088	19,604	55,999	83,691
Cash and cash equivalents at end of the period	2,238	153,903	263,102	419,243	13,214	70,769	64,392	148,375

The annexed notes from 1 to 11 form an integral part of this condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

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

For The Three Months Ended September 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2018.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2019.

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

3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.

3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2019. None of these amendments are expected to have a significant effect on this condensed interim financial information.

3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

4. BANK BALANCES	Sep 30, 2021 (Unaudited)				June 30, 2021 (Audited)				
	Equity	Debt	Money	Total	Equity	Debt	Money	Total	
	Sub-Fund	Sub-Fund	Market Sub-Fund		Sub-Fund	Sub-Fund	Market Sub-Fund		
Savings accounts	-	2,238	153,903	263,102	419,243	11,229	75,173	105,269	191,671
	-	2,238	153,903	263,102	419,243	11,229	75,173	105,269	191,671

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 8.75% to 14.40% per annum (2020: 7.00% - 13.4% per annum).

5. INVESTMENTS - NET

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			

Investments by category

At Fair value through Profit or Loss-Held for Trading

Listed equity securities	187,816	-	-	187,816	208,734	-	-	208,734
Treasury Bills	-	-	-	-	-	29,801	148,944	178,745
Pakistan Investment Bonds	-	-	-	-	-	46,758	-	46,758
Term Finance Certificates and Sukuks	-	30,944	-	30,944	-	32,997	-	32,997
	187,816	30,944	-	218,760	208,734	109,556	148,944	467,234

At Ammortized Cost

Commercial papers	-	11,661	21,389	33,050	-	7,932	8,923	16,855
	187,816	42,605	21,389	251,810	208,734	117,488	157,867	484,089

6.1 Listed equity securities - at fair value through profit or loss
Held by Equity Sub-Fund

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2021	Carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	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	1,805	1,739	0.83%	0.82%	0.01%
Ghandara Nissan Limited	-	-	-	-	-	-	-	-	-	-
Millat Tractors Limited	3,812	-	-	-	3,812	4,207	4,091	1.96%	1.92%	0.01%
Honda Atlas Cars (Pakistan) Limited	10,500	-	-	-	10,500	4,143	2,766	1.33%	1.30%	0.01%
Indus Motor Company Limited	1,380	-	-	-	1,380	1,650	1,612	0.77%	0.76%	0.00%
Sazgar Engineering Works Limited	-	-	-	-	-	-	-	0.00%	0.00%	0.00%
	22,192	-	-	-	22,192	11,805	10,208	4.89%	4.80%	0.03%
AUTOMOBILE PARTS AND ACCESSORIES										
Thal Limited (Par value Rs. 5 each)	-	-	-	-	-	-	-	-	-	-
General Tyre and Rubber Co. of Pakistan Limited	45,000	-	-	20,000	25,000	2,255	1,545	0.74%	0.73%	0.02%
Panther Tyres Limited	28,730	-	-	28,730	-	-	-	0.00%	0.00%	0.00%
	73,730	-	-	48,730	25,000	2,255	1,545	0.74%	0.73%	0.02%
CEMENT										
Cherat Cement Company Limited	6,000	-	-	-	6,000	990	859	0.41%	0.40%	0.00%
D.G.Khan Cement Company Limited	27,100	-	-	13,000	14,100	1,546	1,247	0.60%	0.59%	0.00%
Kohat Cement Limited	8,700	3,500	-	-	12,200	2,521	2,098	1.01%	0.99%	0.01%
Lucky Cement Limited	20,050	-	-	-	20,050	9,433	14,494	6.94%	6.82%	0.01%
Attock Cement Pakistan Limited	29,500	6,000	-	-	35,500	6,350	5,001	2.40%	2.35%	0.03%
Fauji Cement Company Limited	-	-	-	-	-	-	-	-	-	-
Pioneer cement limited	32,500	-	-	7,000	25,500	3,171	2,252	1.08%	1.06%	0.01%
Maple Leaf Cement Factory Limited	85,500	-	-	-	85,500	2,696	3,010	1.44%	1.42%	0.01%
	209,350	9,500	-	20,000	198,850	26,707	28,961	13.88%	13.63%	0.07%
CHEMICAL										
Engro Polymer and Chemicals Limited	-	18,000	-	-	18,000	985	991	-	-	-
I.C.I Pakistan Limited	-	-	-	-	-	-	-	-	-	-
Nimir Resins Limited	100,000	-	-	-	100,000	2,250	1,369	0.66%	0.64%	0.04%
Lotte Chemical Pakistan Limited	-	-	-	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	-	-	-	-	-	-	-	-	-
Sitara Peroxide Limited	-	-	-	-	-	-	-	-	-	-
	100,000	18,000	-	-	118,000	3,235	2,360	0.66%	0.64%	0.04%
COMMERCIAL BANKS										
Allied Bank Limited	-	-	-	-	-	-	-	-	-	-
Bank Al-Falah Limited	-	133,700	-	-	133,700	4,381	4,325	-	-	-
Bank Al-Habib Limited	-	-	-	-	-	-	-	-	-	-
Bank of Punjab Limited	-	-	-	-	-	-	-	-	-	-
Faysal Bank Limited	840	127,000	-	-	127,840	3,410	3,365	1.61%	1.58%	0.01%
MCB Bank Limited	40,100	-	-	-	40,100	7,108	6,043	2.90%	2.84%	0.00%
Meezan Bank Limited	16,297	4,000	2,811	-	23,108	2,044	3,182	1.52%	1.50%	0.00%
National Bank of Pakistan	-	-	-	-	-	-	-	-	-	-
Habib Metro Metropolitan Limited	-	-	-	-	-	-	-	-	-	-
Standard Chartered Bank (Pakistan) Limited	185,000	-	-	-	185,000	4,784	6,429	3.08%	3.02%	0.00%
United Bank Limited	102,258	-	-	-	102,258	13,414	12,124	5.81%	5.70%	0.01%
	344,495	264,700	2,811	-	612,006	35,141	35,468	14.92%	14.64%	0.02%
ENGINEERING										
International Industries Limited	13,700	-	-	13,700	-	-	-	0.00%	0.00%	0.00%
International Steels Limited	20,000	-	-	20,000	-	-	-	0.00%	0.00%	0.00%
Aisha Steel Mills Limited	78,000	-	-	78,000	-	-	-	0.00%	0.00%	0.00%
Amreli Steel Mills Limited	-	89,000	-	-	89,000	3,859	3,484	-	-	-
Agha Steels Industries Limited	93,000	-	-	-	93,000	3,329	2,557	1.23%	1.20%	0.02%
Mughal Iron and Steel Industries Limited	30,995	6,500	-	-	37,495	2,848	3,660	1.75%	1.72%	0.01%
	235,695	95,500	-	111,700	219,495	10,036	9,701	0.00%	0.00%	0.03%
FERTILIZER										
Engro Fertilizers Limited	-	-	-	-	-	-	-	-	-	-
Engro Corporation Limited	24,402	-	-	24,402	-	-	-	0.00%	0.00%	0.00%
Fauji Fertilizer Company Limited	-	-	-	-	-	-	-	-	-	-
	24,402	-	-	24,402	-	-	-	0.00%	0.00%	0.00%
GLASS & CERAMICS										
Tariq Glass Limited	-	-	-	-	-	-	-	-	-	-
INSURANCE										
Adamjee Insurance Company Limited	-	-	-	-	-	-	-	-	-	-
IGI Life Insurance Limited	32,000	2,500	-	-	34,500	2,079	1,500	0.72%	0.71%	0.02%
IGI Holdings Limited	24,500	2,000	-	-	26,500	5,960	4,371	2.09%	2.06%	0.02%
	56,500	4,500	-	-	61,000	8,039	5,871	2.81%	2.77%	0.04%
LEATHER & TANNERIES										
Bata Pakistan Limited	-	-	-	-	-	-	-	-	-	-
Service Industries Limited	-	-	-	-	-	-	-	-	-	-
CABLE & ELECTRICAL GOODS										
Waves Singer Pakistan Limited	79,000	-	-	-	79,000	2,076	1,492	0.71%	0.70%	0.03%
Pak Elektron Limited	57,500	-	-	-	57,500	2,048	1,584	0.76%	0.74%	0.13%
	136,500	-	-	-	136,500	4,124	3,076	1.47%	1.44%	0.16%

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2021	Carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	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
OIL AND GAS EXPLORATION COMPANIES										
Mari Petroleum Company Limited	3,220	240	-	340	3,120	3,618	4,847	2.32%	2.28%	0.00%
Oil and Gas Development Company Limited	121,200	-	-	-	121,200	14,100	10,157	4.87%	4.78%	0.00%
Pakistan Oilfields Limited	10,550	-	-	-	10,550	4,024	3,960	1.90%	1.86%	0.00%
Pakistan Petroleum Limited	111,791	-	-	-	111,791	12,381	8,374	4.01%	3.94%	0.00%
	<u>246,761</u>	<u>240</u>	<u>-</u>	<u>340</u>	<u>246,661</u>	<u>34,123</u>	<u>27,338</u>	<u>13.10%</u>	<u>12.86%</u>	<u>0.00%</u>
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	36,977	5,000	-	-	41,977	8,208	8,437	4.04%	3.97%	0.01%
Shell Pakistan Limited	-	-	-	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	-	-	-	-	-	-	-	-	-
	<u>36,977</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>41,977</u>	<u>8,208</u>	<u>8,437</u>	<u>4.04%</u>	<u>3.97%</u>	<u>0.01%</u>
MISCELLANEOUS										
Tri-Pack Films Limited	-	-	-	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PHARMACEUTICALS										
Abbott Laboratories (Pakistan) Limited	-	-	-	-	-	-	-	-	-	-
AGP Limited	-	-	-	-	-	-	-	-	-	-
Glaxosmithkline (Pakistan) Limited	-	-	-	-	-	-	-	-	-	-
Ferozsons Laboratories Limited	-	6,000	-	-	6,000	2,144	2,188	-	-	-
Highnoon Laboratories Limited	45	-	-	-	45	15	28	0.01%	0.01%	0.00%
The Searle Company Limited	414	-	-	-	414	115	83	0.04%	0.04%	0.00%
	<u>459</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>2,274</u>	<u>2,299</u>	<u>0.05%</u>	<u>0.05%</u>	<u>-</u>
POWER GENERATION AND DISTRIBUTION										
Hub Power Company Limited	78,340	-	-	2,500	75,840	6,118	5,577	2.67%	2.62%	0.01%
Karachi Electric Supply Corporation	-	-	-	-	-	-	-	-	-	-
	<u>78,340</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>75,840</u>	<u>6,118</u>	<u>5,577</u>	<u>2.67%</u>	<u>2.62%</u>	<u>0.01%</u>
FOOD AND PERSONAL CARE PRODUCTS										
The Organic Meat Limited	185,515	5,000	-	28,000	162,515	4,193	5,839	2.80%	2.75%	0.15%
Unity Foods Limited	149,500	28,000	-	-	177,500	6,732	5,542	2.66%	2.61%	0.02%
National Foods Limited.	-	-	-	-	-	-	-	-	-	-
Al Shaheer Corporation Limited	-	100,000	-	-	100,000	2,097	1,420	-	-	-
	<u>335,015</u>	<u>133,000</u>	<u>-</u>	<u>28,000</u>	<u>440,015</u>	<u>13,022</u>	<u>12,801</u>	<u>5.46%</u>	<u>5.36%</u>	<u>0.17%</u>
REFINERY										
Attock Refinery Limited	7,000	-	-	-	7,000	1,319	1,251	0.60%	0.59%	0.01%
National Refinery Limited	11,100	-	-	-	11,100	5,895	3,361	1.61%	1.58%	0.01%
	<u>18,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,100</u>	<u>7,214</u>	<u>4,612</u>	<u>2.21%</u>	<u>2.17%</u>	<u>0.02%</u>
TECHNOLOGY & COMMUNICATION										
Systems Limited	-	7,000	-	-	7,000	4,536	5,092	-	-	-
Air Link Communication	-	20,438	-	-	20,438	1,461	1,473	-	-	-
Avanceon Limited	27,000	6,500	-	13,000	20,500	1,698	2,528	1.21%	1.19%	0.01%
TPL Corporation Limited	-	-	-	-	-	-	-	-	-	-
TPL Trakker Limited	255,500	106,000	-	-	361,500	4,980	6,167	2.95%	2.90%	0.19%
TRG Pak Limited	26,000	-	-	26,000	-	-	-	0.00%	0.00%	0.00%
Netsol Tech	18,000	-	-	-	18,000	3,645	2,248	1.08%	1.06%	0.02%
	<u>326,500</u>	<u>139,938</u>	<u>-</u>	<u>39,000</u>	<u>427,438</u>	<u>16,320</u>	<u>17,508</u>	<u>5.24%</u>	<u>5.15%</u>	<u>0.22%</u>
TEXTILE COMPOSITE										
Gul Ahmed Textile Mills Limited	55,800	-	-	12,000	43,800	1,438	2,400	1.15%	1.13%	0.01%
Kohinoor Textile Mills Limited	40,500	-	-	8,000	32,500	1,899	2,257	1.08%	1.06%	0.01%
Nishat (Chunian) Limited.	60,500	-	-	12,000	48,500	2,532	2,402	1.15%	1.13%	0.02%
Interloop Limited	36,988	-	-	-	36,988	2,083	2,632	1.26%	1.24%	0.00%
Nishat Mills Limited	26,000	-	-	-	26,000	2,314	2,362	1.13%	1.11%	0.01%
	<u>219,788</u>	<u>-</u>	<u>-</u>	<u>32,000</u>	<u>187,788</u>	<u>10,266</u>	<u>12,053</u>	<u>5.77%</u>	<u>5.67%</u>	<u>0.05%</u>
TRANSPORT										
Pakistan National Shipping Corporation	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total as at Sep 30, 2021	2,464,804	676,378	2,811	306,672	2,837,321	198,887	187,816			

6.1.1 Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 0.2408 million at June 30, 2021 (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.

6.2 Government securities - Treasury bills- At fair value through Profit or loss-Held for Tradir
6.2.1 Held by Debt Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value				Amortised cost end of the year	Market value end of the year	Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021			Total investments of the sub-fund	Net assets of the sub-fund
----- (Rupees in '000) ----- % -----									
Treasury Bill - 6 months	March 25, 2021	30,300	15,000	45,300	-	-	-	-	-
Treasury Bill - 3 months	May 20, 2021		20,000	20,000					
		30,300	35,000	65,300	-	-	-	-	-

Pakistan investment bonds	Issue date	Face value				Amortized Cost end of the year	Market value as at September 30, 2021 end of the year	Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at September 30, 2021			Total investments of the sub-fund	Net assets of the sub-fund
----- (Rupees in '000) -----									
Pakistan Investment Bonds 5 years	October 15, 2020	50,000	-	50,000	-	-	-	-	-
		50,000	-	50,000	-	-	-	-	-

6.2.2 Held by Money Market Sub-Fund

Treasury bills - having face value of Rs. 100 each	Issue date	Face value				Amortised cost as at Sep 30, 2021	Market value as at Sep 30, 2021	Market value as a percentage of	
		As at July 1, 2021	Purchases during the period	Sales / matured during the period	As at Sep 30, 2021			Total investments of	Net assets of sub-fund
----- (Rupees in '000) ----- % -----									
Treasury Bill - 3 months	May 20, 2021	42,000	9,000	51,000	-	-	-	-	-
Treasury Bill - 3 months	April 22, 2021	19,000	-	19,000	-	-	-	-	-
Treasury Bill - 6 months	April 22, 2021	70,000	-	70,000	-	-	-	-	-
Treasury Bill - 6 months	August 12, 2021		51,000	51,000	-	-	-	-	-
Treasury Bill - 6 months	March 25, 2021		5,000	5,000	-	-	-	-	-
Treasury Bill - 6 months	August 26, 2021		125,000	125,000	-	-	-	-	-
Treasury Bill - 3 months	July 29, 2021		20,000	20,000	-	-	-	-	-
		131,000	210,000	341,000	-	-	-	-	-

6.4 Term Finance Certificates and Sukuk bonds - At fair value through Profit or loss-Held For Trading

6.4.1 Held by Debt Sub-Fund

Name of the investee company	Number of certificates				Amortized cost as at September 30, 2021	Market value / Carrying value as at September 30, 2021	Market value as a percentage of	
	As at July 1, 2021	Purchases during the year	Sales / Matured during the year	As at September 30, 2021			Total investments of the sub-fund	Net assets of the sub-fund
	----- (Rupees in '000) -----						----- % -----	
Commercial Banks								
Bank of Punjab	60	-	-	60	5,931	6,109	13.70	0.01
Bank Alfalah Limited	2,400	-	-	2,400	12,000	11,739	26.32	0.01
Fertilizers								
Multiutilities								
K-Electric Limited	1,200	-	-	1,200	900	908	2.04	-
Miscellaneous								
International Brands Limited Sukuk	40	-	-	40	4,000	1,151	2.58	-
Jahangir Siddiqui and Company Limited	2,000	-	-	2,000	5,000	6,635	14.88	0.01
TPL Trakker Limited	40	-	-	40	4,000	4,117	9.23	-
OBS AGP		20	-	20	2,000	2,000	4.48	-
Multiutilities								
Water and Power Development Authority	798	-	-	798	341	285	0.64	-
	6,538	-	-	6,558	32,172	30,944	74	-

* Related party due to common directorship

6.4.2 Held by Debt Sub Fund

Name of Company	Maturity Date	As at July 1, 2021	Placement made during the year	Matured during the year	As at Sep 30, 2021	Carrying amount as at Sep 30, 2021	Percentage of total value of investments	Percentage of Net Assets
k-Electric	August 26, 2021		7,000	-	7,000	6,786	15.21	0.01
k-Electric	July 27, 2021		5,000	-	5,000	4,875	10.93	0.01
		-	12,000	-	12,000	11,661	26	-

6.4.2 Held by Money Market Sub Fund

Name of Company	Maturity Date	As at July 1, 2020	Placement made during the year	Matured during the year	As at Sep 30, 2020	Carrying amount as at Sep 30, 2021	Percentage of total value of investments	Percentage of Net Assets
k-Electric	August 26, 2021		11,000	-	11,000	10,664	23.91	0.01
k-Electric	July 27, 2021		11,000	-	11,000	10,725	24.04	0.01
		-	22,000	-	22,000	21,389	48	-

6.4.2.1 This commercial paper has been placed at discount at a rate of 8.010% per annum and is being amortised over a period of 182 days.

6.4.2.2 This commercial paper has been placed at discount at a rate of 8.02% per annum and is being amortised over a period of:

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
Auditors' remuneration	122	111	100	333	92	82	73	247
Payable against purchase of investme	-	-	-	-	6,007	-	-	6,007
Payable against redemption of units	55	-	-	55	71	476	892	1,439
Federal Excise Duty 6.1	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Wel 6.2	-	-	-	-	3,040	1,501	923	5,464
Other payable	42	48	56	146	4	3	3	10
	982	1,037	992	3,011	9,977	2,940	2,727	15,644

6.1 PROVISION FOR FEDERAL EXCISE DUTY

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 0.763 million, 0.878 million and 0.836 million (2020: Rs. 0.763 million, Rs. 0.878 million and Rs. 0.836 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at Sep 30, 2020 would have been higher by Rs. 1.23, Rs. 0.93 and Rs. 0.98 (2020: Rs. 1.25, Rs. 0.86 and Rs. 1.07) per unit respectively. However after the exclusion of the mutual funds from federal statute on FED from 1 July 2016, the Fund has discontinued making the provision in this regard.

6.2 PROVISION FOR WORKERS' WELFARE FUND

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

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

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

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

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2021.

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

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

9.1 Transactions during the period

	Three months ended ended September 30, 2021				Three months ended ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management fee	900	828	1,165	2,893	985	826	643	2,454
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	177	228	320	725	177	228	320	725
Profit received on bank deposits	121	187	168	476	121	187	168	476
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration	90	83	117	290	99	83	64	246
Directors and their relatives								
	Number				Number			
Reallocation of units					2,680	(3,500)	(854)	(1,674)
Amount of units Reallocate				-	754	(616)	(138)	-
Executives and their relatives								
	Number				Number			
Issuance of units	-	-	-	-	212	3,054	-	-
Amount of Issuance	-	-	-	-	70	630	-	-
Reallocation of units	-	-	-	-	1,707	(2,739)	-	(1,032)
Amount of units Reallocate	-	-	-	-	565	(565)	-	-
Redemption of units	-	-	-	-	-	-	-	-
Amount of units Redeemed	-	-	-	-	-	-	-	-

9.2 Balances outstanding as at period end

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)0			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	257	243	348	848	263	234	305	802
Sindh Sales Tax payable	33	32	45	110	34	30	40	104
Sales load payable	-	-	-	-	7	19	20	46
Federal Excise Duty payable	763	878	836	2,477	763	878	836	2,477
Habib Bank Limited - Sponsor								
	Number				Number			
Units held	203,077	-	-	203,077	203,077	-	-	203,077
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	79,741	-	-	79,741	88,003	-	-	88,003
Mark-up accrued on deposits with bank	39	56	37	132	42	8	44	94
Balance in savings account	77	104,405	262,798	367,280	3,880	37,666	53,992	95,538
Directors and Executives of the Pension Fund Manager and their relatives								
	Number				Number			
Units held	13,796	51,540	14,684	80,020	13,796	51,540	14,684	-
Amount of units held	5,417	11,329	2,797	19,543	5,978	11,111	2,745	-
	Number				Number			
Units held	1,954	2,421	-	-	1,954	2,421	-	-
Amount of units held	767	532	-	-	847	522	-	-
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration payable	32	29	41	102	32	27	35	94
Security deposit receivable	100	100	100	300	100	100	100.00	300
	Number				Number			
Units held	-	-	-	-	818	828	83,369	85,015
Amount of units held	-	-	-	-	354	178	15,584	16,116

9 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

		Sep 30, 2021						
		Carrying Amount			Fair Value			
		Held for trading	At Amortized Cost	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
Note		(Rupees in '000)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments								
- Listed equity securities	4.1	187,816	-	-	187,816	187,816	-	187,816
Government securities								
- Treasury Bills		-	-	-	-	-	-	-
- Pakistan Investment Bonds		-	-	-	-	-	-	-
Term Finance Certificates and Sukuk Bonds - Unlisted		30,944	-	-	30,944	-	30,944	30,944
		<u>218,760</u>	<u>-</u>	<u>-</u>	<u>218,760</u>	<u>187,816</u>	<u>30,944</u>	<u>218,760</u>
Financial assets not measured at fair value								
Bank balances	9.1	-	419,243	-	419,243	-	-	-
Investments								
- Unlisted equity securities		-	-	-	-	-	-	-
- Term Deposit Receipts (TDRs)		-	-	-	-	-	-	-
Dividend receivable and accrued mark-up		-	4,120	-	4,120	-	-	-
Placements		-	33,050	-	33,050	-	-	-
Advances, deposits, prepayments and other receivables		-	10,177	-	10,177	-	-	-
		<u>-</u>	<u>466,590</u>	<u>-</u>	<u>466,590</u>	<u>-</u>	<u>-</u>	<u>-</u>

Sep 30, 2021						
Carrying Amount			Fair Value			
Held for trade	Loans and receivables	Other Financial asset/Liabilities	Total	Level 1	Level 2	Total
Note----- (Rupees in '000) -----						
Financial liabilities not measured at fair value						
Payable to the Pension Fund Manager	-	848	848	-	-	-
Payable to the Trustee	-	90	90	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	42	42	-	-	-
Accrued expenses and other liabilities	-	534	534	-	-	-
Participants' Sub Funds	-	683,237	683,237	-	-	-
	-	684,751	684,751	-	-	-

June 30, 2021						
Carrying Amount			Fair Value			
Held for trading	At Ammortized Cost	Held to maturity	Total	Level 1	Level 2	Total
Note----- (Rupees in '000) -----						
On-balance sheet financial instruments						
Financial assets measured at fair value						
Investments	5					
- Listed equity securities	208,734	-	208,734	208,734	-	208,734
Government securities						
- Treasury Bills	178,745	-	178,745	-	178,745	178,745
- Pakistan Investment Bonds	46,758	-	46,758	-	46,758	46,758
Term Finance Certificates and Sukuk Bonds - Unlisted	32,997	-	32,997	-	32,997	32,997
	467,234	-	467,234	208,734	258,500	467,234

Financial assets not measured at fair value

Bank balances	-	191,671	-	191,671	-	-	-
Investments							
- Unlisted equity securities	-	-	-	-	-	-	-
-Term Deposit Receipts (TDRs)	-	-	-	-	-	-	-
-Dividend Receivables and accrued markup	-	2,719	-	2,719	-	-	-
Advances, deposits, prepayments and other receivables	-	3,015	-	-	-	-	-
Placements	-	-	-	-	-	-	-
	-	197,405	-	194,390	-	-	-

June 30, 2021						
Carrying Amount			Fair Value			
Held for trading	At amortized Cost	Held to maturity	Total	Level 1	Level 2	Total
----- (Rupees in '000) -----						
Financial liabilities not measured at fair value						
Payable to the Pension Fund Manager	952	-	952	-	-	-
Payable to the Trustee	94	-	94	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	149	-	149	-	-	-
Accrued expenses and other liabilities	1,199	-	1,199	-	-	-
Participants' Sub Funds	664,655	-	664,655	-	-	-
	667,049	-	667,049	-	-	-

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

9.2 **Valuation techniques**

For level 1 investments at fair value through other comprehensive income - available-for-sale investment in respect of equity securities, Fund uses daily quotation shares which are taken from Pakistan Stock Exchange Limited at reporting date.

9.3 **Transfers during the year**

There were no transfers between various levels of fair value hierarchy during the year.

10. **DATE OF AUTHORISATION FOR ISSUE**

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 28, 2021.

11. **GENERAL**

Figures have been rounded off to the nearest thousand rupees.

11.1 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Pension Fund

FUND INFORMATION

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

HBL Islamic Pension Fund

Condensed Interim Balance Sheet

As At September 30, 2021

	September 30, 2021 (Un-Audited)				June 30, 2021 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
Note (Rupees in '000)									
ASSETS									
Bank balances	4	11,363	69,708	58,226	139,297	10,208	39,787	50,267	100,262
Investments - net	5	165,472	18,250	7,726	191,448	188,120	47,124	14,628	249,872
Dividend receivable and accrued mark-up		1,050	706	795	2,551	69	1,019	713	1,801
Advances, deposits, prepayments and other receivables		4,048	347	133	4,528	2,693	294	133	3,120
Total assets		181,933	89,011	66,880	337,824	201,090	88,224	65,741	355,055
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager		261	122	90	473	266	135	99	500
Payable to the Central Depository Company of Pakistan Limited - Trustee		29	14	19	62	29	14	11	54
Payable to the Securities and Exchange Commission of Pakistan		12	6	4	22	40	21	17	78
Accrued expenses and other liabilities	6	1,468	769	562	2,799	4,722	1,210	1,095	7,027
Total liabilities		1,770	911	675	3,356	5,057	1,380	1,222	7,659
NET ASSETS		180,163	88,100	66,205	334,468	196,033	86,844	64,519	347,396
PARTICIPANTS' SUB-FUNDS (as per statement attached)		180,163	88,100	66,205	334,468	196,033	86,844	64,519	347,396
Contingencies and commitments									
Number of units in issue	7	417,228	501,720	388,052	1,307,000	421,065	504,466	384,622	1,310,153
..... Rupees									
Net asset value per unit		431.8097	175.5964	170.6075		465.5652	172.1510	167.7456	

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund
Condensed Interim Income Statement (Un-audited)
For The Three Months Ended September 30, 2021

	Three months ended September 30, 2021				Three months ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
Income								
Dividend income	905	-	-	905	610	-	-	610
Profit on bank deposits and Term Deposit	75	553	791	1,419	117	804	693	1,614
Mark-up / return on investments	-	979	254	1,233	-	519	146	665
Capital gain on sale of investments	1,106	582	157	1,845	4,653	-	-	4,653
	2,086	2,114	1,202	5,402	5,380	1,323	839	6,877
Unrealized (loss) / gain on investment classified as 'held for trading'	(18,151)	11	-	(18,140)	15,994	81	(37)	16,038
	(16,065)	2,125	1,202	(12,738)	21,374	1,404	802	22,915
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	825	373	271	1,469	648	324	226	1,198
Remuneration of Central Depository Company of Pakistan Limited - Trustee	83	37	27	147	65	33	23	121
Annual fee to the Securities and Exchange Commission of Pakistan	12	6	4	22	10	5	3	18
Auditors' remuneration	41	25	19	85	30	25	18	73
Settlement and bank charges	-	4	-	4	5	6	4	15
Other expenses	106	10	10	126	224	-	-	224
	1,067	455	331	1,853	982	393	274	1,649
Net (loss) / income from operating activities	(17,132)	1,670	871	(14,591)	20,392	1,011	528	21,266
Reversal / (Provision) for Sindh Workers' Welfare Fund	3,077	381	282	3,740	(400)	(20)	(10)	-
Net income for the period before taxation	(14,055)	2,051	1,153	(10,851)	19,992	991	518	21,266
Taxation	-	-	-	-	-	-	-	-
Net income for the period after taxation	(14,055)	2,051	1,153	(10,851)	19,992	991	518	21,266
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	(14,055)	2,051	1,153	(10,851)	19,992	991	518	(3,407)

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

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

For The Three Months Ended September 30, 2021

	Three months ended September 30, 2021				Three months ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
Net assets at beginning of the period	196,033	86,844	64,519	347,396	123,319	71,853	52,127	247,299
Amount received on issuance of units	3,601	4,737	11,120	19,458	15,858	7,272	2,103	25,233
Amount paid on redemption of units	(5,416)	(5,532)	(10,587)	(21,535)	(2,072)	(3,490)	(1,657)	(7,219)
Reallocation among Sub-Funds				-				-
Net income for the period	(14,055)	2,051	1,153	(10,851)	19,992	991	518	21,501
Total comprehensive income for the period	-	-	-	-	-	-	-	-
Net assets at end of the period	180,163	88,100	66,205	334,468	157,097	76,626	53,091	265,313

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Cash Flow Statement (Un-audited)

For The Three Months Ended September 30, 2021

	Three months ended September 30, 2021				Three months ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market	Total
	(Rupees in '000)				(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the period before taxation	(14,055)	2,051	1,153	(10,851)	19,992	991	518	21,501
Investments - net	22,648	28,874	6,902	58,424	(26,549)	(26,593)	(19,242)	(72,384)
Dividend and profit receivable	(981)	313	(82)	-	(511)	(747)	(377)	-
Advances, deposits, prepayments and other receivables	(1,355)	(53)	-	(1,408)	(243)	(387)	(1)	(631)
	20,312	29,134	6,820	57,016	(27,303)	(27,727)	(19,620)	(73,015)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	(5)	(13)	(9)	(27)	16	(2)	4	18
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	8	8	7	1	1	9
Payable to Securities and Exchange Commission of Pakistan	(28)	(15)	(13)	(56)	(28)	(15)	(12)	(55)
Accrued expenses and other liabilities	(3,254)	(441)	(533)	(4,228)	(2,626)	35	27	(2,564)
	(3,287)	(469)	(547)	(4,303)	(2,631)	19	20	(2,592)
Dividend income received	2,970	30,716	7,426	41,862	(9,942)	(26,717)	(19,082)	(54,106)
Mark-up income received	-	-	-	-	-	-	-	-
Net cash (used in) / generated from operating activities	2,970	30,716	7,426	41,862	(9,942)	(26,717)	(19,082)	(54,106)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issue of units	3,601	4,737	11,120	19,458	15,858	7,272	2,103	25,233
Amount paid on redemption of units	(5,416)	(5,532)	(10,587)	(21,535)	(2,072)	(3,490)	(1,657)	(7,219)
Reallocation among Sub-Funds	-	-	-	-	-	-	-	-
Net cash generated from / (used in) financing activities	(1,815)	(795)	533	(2,077)	13,786	3,782	446	18,014
Net increase / (decrease) in cash and cash equivalents	1,155	29,921	7,959	39,035	3,844	(22,935)	(18,636)	(37,727)
Cash and cash equivalents at beginning of the period	10,208	39,787	50,267	100,262	9,271	57,147	50,483	116,901
Cash and cash equivalents at end of the period	11,363	69,708	58,226	139,297	13,115	34,212	31,847	79,174

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For The Three Months Ended September 30, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

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

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

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

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

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

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

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The disclosures made in this condensed interim financial information have, however, been limited based on the requirements of International Accounting Standard 34: 'Interim Financial Reporting'. This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual audited financial statements of the Fund for the year ended June 30, 2017.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

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

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Fund for the year, ended June 30, 2018.

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

- 3.3 The significant estimates, judgements and assumptions made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied to the annual audited financial statements as at and for the year ended June 30, 2018.
- 3.4 Certain amendments to approved accounting standards have been published and are mandatory for the Fund's accounting period beginning on or after July 01, 2017. None of these amendments are expected to have a significant effect on this condensed interim financial information.
- 3.5 The Fund's financial risk management objectives and policies are consistent with that disclosed in this financial information for the year ended June 30, 2019.

4. BANK BALANCES

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	------(Rupees in '000)-----				------(Rupees in '000)-----			
Savings accounts	11,363	69,708	58,226	139,297	10,208	39,787	50,267	100,262
	11,363	69,708	58,226	139,297	10,208	39,787	50,267	100,262

- 4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 3.75% to 7.10% per annum (2021: 6% - 14.5% per annum).

5. INVESTMENTS

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	------(Rupees in '000)-----				------(Rupees in '000)-----			

**Investments by category:
At Fair value through Profit
or Loss- Held for trading**

Listed equity securities	5.1	165,472	-	-	165,472	188,120	-	-	188,120
Ijarah Sukuks		-	-	-	-	-	36,906	11,654	48,560
Sukuk certificates - Unlisted	5.2	-	11,425	-	11,425	-	10,218	-	10,218
		165,472	11,425	-	176,897	188,120	47,124	11,654	246,898
At Amortized Cost									
Commercial papers	5.3	-	6,825	7,726	14,551	-	2,974	-	-
		165,472	18,250	7,726	191,448	188,120	47,124	14,628	246,898

5.1 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	Sales during the year	As at Sep 30, 2021	Cost of carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	Market value as a percentage of total investments of the sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----				-----Rupees in '000-----		-----%-----			
AUTOMOBILE ASSEMBLER										
Pak Suzuki Motor Company Limited	8,000	-	-	-	8,000	2,206	2,140	1.14%	1.09%	0.01%
Sazgar Engineering Works Limited	-	-	-	-	-	-	-	-	-	-
Indus Motor Company Limited	-	-	-	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	-	-	-	-	-	-	-	-	-
	8,000	-	-	-	8,000	2,206	2,140	1.14%	1.09%	0.01%
AUTOMOBILE PARTS & ACCESSORIES										
Thal Limited (Rs. 5 each)	-	-	-	-	-	-	-	-	-	-
Panther Tyres Limited	29,076	-	-	29,076	-	-	-	0.00%	0.00%	0.00%
	29,076	-	-	29,076	-	-	-	0.00%	0.00%	0.00%
CEMENT										
Lucky Cement Limited	18,500	-	-	-	18,500	9,910	13,374	7.11%	6.82%	0.01%
D.G. Khan Cement Company Limited	40,000	-	-	9,000	31,000	3,382	2,741	1.46%	1.40%	0.01%
Cherat Cement Company Limited	13,100	-	-	-	13,100	1,734	1,876	1.00%	0.96%	0.01%
Kohat Cement Company Limited	18,300	3,500	-	-	21,800	3,186	3,748	1.99%	1.91%	0.01%
Maple Leaf Cement Factory Limited	121,000	-	-	-	121,000	4,297	4,259	2.26%	2.17%	0.01%
Pioneer Cement Limited	22,000	-	-	8,000	14,000	1,831	1,236	0.66%	0.63%	0.01%
Fauji Cement Company Limited	-	-	-	-	-	-	-	-	-	-
Attock Cement Limited	27,000	6,000	-	-	33,000	6,011	4,648	2.47%	2.37%	0.02%
	259,900	9,500	-	17,000	252,400	30,351	31,882	16.95%	16.26%	0.08%
CHEMICAL										
Engro Polymer & Chemicals Limited	-	32,000	-	-	32,000	1,737	1,762	0.01	0.01	-
I.C.I Pakistan Limited	-	-	-	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	-	-	-	-	-	-	-	-	-
Sitara Peroxide Limited	-	-	-	-	-	-	-	-	-	-
Lotte Chemical Pakistan Limited	-	-	-	-	-	-	-	-	-	-
Nimir Industrial Chemicals Limited	100,000	34,000	-	-	134,000	3,179	2,299	1.22%	1.17%	0.12%
	100,000	66,000	-	-	166,000	4,916	4,061	2.22%	2.17%	0.12%
COMMERCIAL BANKS										
Bank Islami Pakistan Limited	218,000	-	-	-	218,000	2,451	2,747	1.46%	1.40%	0.02%
Meezan Bank Limited ***	78,555	-	12,688	5,000	86,243	6,294	11,836	6.29%	6.04%	0.01%
	296,555	-	12,688	5,000	304,243	8,745	14,583	7.75%	7.44%	0.03%
ENGINEERING										
International Industries Limited	13,200	-	-	10,200	3,000	428	500	0.27%	0.26%	0.00%
International Steels Limited	29,500	-	-	29,500	-	-	-	0.00%	0.00%	0.00%
Mughal Iron and Steel Industries Limited	37,120	18,000	-	-	55,120	4,355	5,381	2.86%	2.74%	0.02%
Aisha Steel Mill Limited	67,000	-	-	67,000	-	-	-	0.00%	0.00%	0.00%
Amreli Steels Limited	-	12,000	-	-	12,000	449	470	-	-	-
Agha Steel Industries Limited	101,500	-	-	-	101,500	3,781	2,790	1.48%	1.42%	0.02%
	248,320	30,000	-	106,700	171,620	9,013	9,141	4.61%	4.42%	0.04%
FERTILIZER										
Engro Corporation Limited	39,020	-	-	39,020	-	-	-	0.00%	0.00%	0.00%
Engro Fertilizer Limited	-	-	-	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	-	-	-	-	-	-	-	-	-
	39,020	-	-	39,020	-	-	-	0.00%	0.00%	0.00%
INV. BANKS / INV. COMPANIES. / SECURITIES COMPANIES.										
Dawood Hercules Corporation Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
OIL AND GAS EXPLORATION COMPANIES										
Oil and Gas Development Company Limited	148,500	-	-	-	148,500	18,045	12,445	6.62%	6.35%	0.00%
Pakistan Petroleum Limited **	155,400	-	-	-	155,400	17,053	11,641	6.19%	5.94%	0.01%
Mari Petroleum Company Limited	6,406	1,440	-	-	7,846	9,825	12,189	6.48%	6.22%	0.01%
Pakistan Oilfields Limited	10,200	-	-	-	10,200	3,800	3,829	2.04%	1.95%	0.00%
Shell Limited	-	-	-	-	-	-	-	-	-	-
	320,506	1,440	-	-	321,946	48,723	40,104	21.33%	20.46%	0.02%
OIL AND GAS MARKETING COMPANIES										
Pakistan State Oil Company Limited	41,823	-	-	-	41,823	7,985	8,406	4.47%	4.3%	0.01%
Sui Northern Gas Pipelines Limited	-	-	-	-	-	-	-	-	-	-
	41,823	-	-	-	41,823	7,985	8,406	4.47%	4.30%	0.01%
FOOD AND PERSONAL CARE PRODUCT										
The Organic Meat Company Limited	151,500	7,000	-	10,000	148,500	4,080	5,337	2.84%	2.72%	0.13%
Al-Shaheer corporation	-	45,000	-	-	45,000	952	639	-	-	-
Unity Foods Limited	125,500	28,000	-	-	153,500	5,885	4,792	2.55%	2.44%	0.02%
National Foods Limited	-	-	-	-	-	-	-	-	-	-
	277,000	80,000	-	10,000	347,000	10,917	10,768	5.39%	5.16%	0.15%

Name of the Investee Company	As at July 1, 2021	Purchases during the year	Bonus / Rights issue	Sales during the year	As at Sep 30, 2021	Cost of carrying value as at Sep 30, 2021	Market value as at Sep 30, 2021	Market value as a percentage of total investments of the sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
Shares of listed companies - fully paid up ordinary shares of Rs. 10 each unless stated otherwise										
	-----Number of shares-----					----- Rupees in '000 -----		-----%-----		
PAPER AND BOARD										
Security Papers Limited	-	-	-	-	-	-	-	-	-	-
PHARMACEUTICALS										
AGP Limited	-	-	-	-	-	-	-	-	-	-
The Searle Company Limited	282	-	-	-	282	79	57	0.03%	0.03%	0.00%
Abott Laboratories	-	2,200	-	-	2,200	1,694	1,700	-	-	-
GlaxoSmithKline (Pakistan) Limited	-	-	-	-	-	-	-	-	-	-
Highnoon Laboratories Limited ***	-	-	-	-	-	-	-	-	-	-
Ferozsons Laboratories Limited ***	-	10,500	-	-	10,500	3,673	3,830	0.02	0.02	-
	282	12,700	-	-	12,982	5,446	5,587	2.03%	2.03%	0.00%
POWER GENERATION AND DISTRIBUTION										
The Hub Power Company Limited **	109,431	-	-	35,000	74,431	5,986	5,473	2.91%	2.79%	0.01%
K-Electric Limited (Rs. 3.5 each)	-	-	-	-	-	-	-	-	-	-
	109,431	-	-	35,000	74,431	5,986	5,473	2.91%	2.79%	0.01%
TEXTILE COMPOSITE										
Nishat Mills Limited	25,500	-	-	-	25,500	2,289	2,317	1.23%	1.18%	0.01%
Interloop Limited	57,445	-	-	-	57,445	2,650	4,088	2.17%	2.09%	0.01%
Kohinoor Textile Limited	52,500	-	-	5,000	47,500	2,910	3,299	1.75%	1.68%	0.02%
	135,445	-	-	5,000	130,445	7,849	9,704	5.15%	4.95%	0.04%
CABLE AND ELECTRICAL GOODS										
Waves Singer Pakistan Limited	71,000	-	-	-	71,000	1,961	1,340	0.71%	0.68%	0.03%
Pak Elektron Limited	52,500	-	-	-	52,500	1,983	1,446	0.77%	0.74%	0.01%
	123,500	-	-	-	123,500	3,944	2,786	1.48%	1.42%	0.04%
REFINERY										
National Refinery limited	9,000	200	-	-	9,200	4,821	2,786	1.48%	1.42%	0.01%
Attock Refinery Limited	7,000	-	-	-	7,000	1,343	1,251	0.67%	0.64%	0.01%
	16,000	200	-	-	16,200	6,164	4,037	2.15%	2.06%	0.02%
TECHNOLOGY & COMMUNICATION										
Systems Limited ***	5,610	4,000	-	-	9,610	2,847	6,992	3.72%	3.57%	0.01%
Airlink Communication	-	18,750	-	-	18,750	1,341	1,352	-	-	-
Avanceon Limited ***	22,800	7,000	-	11,000	18,800	1,626	2,319	1.23%	1.18%	0.01%
	28,410	29,750	-	11,000	47,160	5,814	10,663	4.95%	4.75%	0.02%
LEATHER AND TANNERIES										
Bata (Pakistan) Limited	-	-	-	-	-	-	-	-	-	-
Service Industry Limited	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
GLASS AND CERAMICS										
Tariq Glass Industries Limited ***	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
TRANSPORT										
Pakistan National Shipping Corporation	-	-	-	-	-	-	-	-	-	-
Millat Tractors Limited ***	3,387	-	-	-	3,387	3,248	3,636	1.93%	1.85%	0.01%
Honda Atlas Cars (Pakistan) Limited	9,500	-	-	-	9,500	3,753	2,503	1.33%	1.28%	0.01%
	12,887	-	-	-	12,887	7,001	6,139	3.26%	3.13%	0.02%
Total as at Sep 30, 2021	2,046,155	229,590	12,688	257,796	2,030,637	165,060	165,472	85.79%	82.43%	0.61%

** Investments include 28,431 shares of HUBCO, 105,400 shares of Pakistan Petroleum Limited, having market value Rs. 4.31 million and Rs. 6.373 million, that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

*** Finance Act, 2014 had brought amendments to the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 0.1045 million at June 30, 2021 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.

5.2 Investment in Government Securities - Ijarah Sukuk - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

Issue Date	Tenor	Face value			As at Sep,30 2021	Amortised cost as at Sep 30, 2021	Market value as at Sep 30, 2021	Market value as a percentage	
		As at July 1, 2021	Purchases during the year	Sales / matured during the year				Total investments c sub-fund	Net assets of sub fund
----- (Rupees in '000) -----									
April 30, 2020	5 Years	38,000	-	38,000	-	-	-	-	-
		38,000	-	38,000	-	-	-	-	-

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

5.3.1 Held by Debt Sub-Fund

Name of the Investee Company	Face value			As at Sep 30 2021	Amortised cost as at Sep 30, 2021	Market value as at Sep 30, 2021	Market value as a percentage		
	As at July 1, 2021	Purchases during the year	Sales / matured during the year				Total investments c sub-fund	Net assets of sub funds	
----- (Number of certificates) ----- (Rupees in '000) -----									
Fertilizers									
Fatima Fertilizers Company Limited	357	-	-	357	185	179	0.98	0.20	
	357	-	-	357	185	179	0.98	0.20	
Mutiutilities									
Water and Power Development Authority	474	-	-	474	202	169	0.93	0.19	
K-Electric	1,550	-	-	1,550	1,163	1,172	6.42	1.33	
Hub Power Company Limited	50	-	-	50	5,000	5,133	28.13	5.83	
	2,074	-	-	2,074	6,365	6,474	35.48	7.35	
Pharmaceuticals									
AGP Limited	24	-	-	24	360	363	1.99	0.41	
OBS AGP		20	-	20	2,000	2,000	10.96	2.27	
	24	20	-	44	2,360	2,363	12.95	2.68	
TECHONOLY & COMMUNICATION									
TPL tracker limited	10	-	-	10	1,000	1,029	5.64	1.17	
	10	-	-	10	1,000	1,029	6	1	
Miscellaneous									
International Brands Limited Sukuk	20	-	-	20	1,430	576	3.16	0.65	
Agha Steel Industries Limited Sukuk	1	-	-	1	813	804	4.41	0.91	
	21	-	-	21	2,243	1,380	7.57	1.56	
Total	2,486	20	-	2,506	12,153	11,425	56.98	11.79	

* Related party due to common directorship

5.2 Investment in Government Securities - Ijarah Sukuk - At fair value through profit or loss

5.2.1 Held by Money Market Sub Fund

Issue Date	Tenor	Face value			As at Sep,30 2021	Amortised cost as at Sep 30, 2021	Market value as at Sep 30, 2021	Market value as a percentage	
		As at July 1, 2021	Purchases during the year	Sales / matured during the year				Total investments c sub-fund	Net assets of sub fund
----- (Rupees in '000) -----									
April 30, 2020	5 Years	34000	-	34,000	-	-	0.00	0.00	
		-	-	-	-	-	-	-	

5.4.1 Held by Debt Sub-Fund

Name of Company	Note	Maturity date	Face value			As at Sep 30, 2021	Carrying amount as at Sep 30, 2021	Market value as a percentage of	
			As at July 1, 2021	Placements made during the year	Matured during the year			Total investments c sub-fund	Net Assets of sub fund
----- (Rupees in '000) -----									
K- Electric Limited	5.4.1.1	January 23, 2022	-	7,000	-	7,000	6,825	37	8
			-	7,000	-	7,000	6,825	37	8

5.4.1.1 This commercial paper has been placed at discount at a rate of 8.02% and is being amortised over a year of 182 days.

5.4.2 Held by Money Market Sub-Fund

Name of Company	Note	Maturity date	Face value			As at Sep 30, 2021	Carrying amount as at Sep 30, 2021	Market value as a percentage of	
			As at July 1, 2021	Placements made during the year	Matured during the year			Total investments c sub-fund	Net Assets of sub fund
----- (Rupees in '000) -----									
K- Electric Limited		August 10, 2021	3,000.00	-	3,000	-	-	-	-
K- Electric Limited		January 23, 2022	-	2,000	-	2,000	1,950	25.24	2.95
K- Electric Limited		March 21, 2022	-	6,000	-	6,000	5,776	74.76	8.72
			3,000	8,000	3,000	8,000	7,726	100	12

5.4.1 This commercial paper has been placed at discount at a rate of 8.02% and is being amortised over a year of 182 days.

5.4.2 This commercial paper has been placed at discount at a rate of 8.21% and is being amortised over a year of 182 days.

6. ACCRUED EXPENSES AND OTHER LIABILITIES

	September 30, 2021 (Un-audited)				June 30, 2021(Audited)			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Note	(Rupees in '000)				(Rupees in '000)			
Auditors' remuneration	169	92	73	324	128	67	54	249
Payable against purchase of investments	-	-	-	-	252	-	-	252
Federal Excise Duty	6.1	880	488	383	1,751	880	488	383
Provision for Sindh Workers' Welfare Fund	6.2	-	-	-	3,077	381	282	3,740
Payable against redemption of units	-	-	-	-	16	122	-	138
Other payable	419	189	106	714	369	152	376	897
	1,468	769	562	2,799	4,722	1,210	1,095	7,027

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 0.879 million, 0.488 million and 0.383 million (2020: Rs. 0.879 million, Rs. 0.488 million and Rs. 0.383 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. . Had the provision not been made, the Net Asset Value per unit of Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund as at September 30, 2020 would have been higher by Rs. 2.22, Re 1.05 and 1.17 (June 30, 2020: Rs. 2.44, Re 1.11 & Re.1.18) per unit.

6.2 PROVISION FOR WORKERS' WELFARE FUND

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

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

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

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

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2021.

8. TAXATION

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

9. TRANSACTIONS WITH CONNECTED PERSONS

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

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

9.1 Transactions during the period

	Three months ended September 30, 2021				Three months ended September 30, 2020			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management remuneration	825	373	271	1,469	482	318	229	1,029
Habib Bank Limited - Sponsor								
Profit on bank deposits earned	88	225	172	485	88	225	172	485
Profit received on bank deposits	56	115	91	262	56	115	91	262
Directors and Executives of the Pension Fund Manager and their relatives								
Reallocation of units	-	-	-	-	3,663	(4,631)	(2,208)	(3,176)
Amount of units Reallocated	-	-	-	-	1,049	(716)	(333)	-
Executives and their relatives								
Reallocation of units	-	-	-	-	(9,612)	20,205	-	10,593
Amount of units Reallocated	-	-	-	-	(3,086)	3,086	-	-
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration	83	37	27	147	48	32	23	103

9.2 Balances outstanding as at period / year end

	September 30, 2021 (Un-audited)				June 30, 2021 (Audited)			
	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total	Equity sub-fund	Debt sub-fund	Money Market sub-fund	Total
	(Rupees in '000)				(Rupees in '000)			
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	231	108	80	451	147	85	59	291
Sales load Payable	7	10	1	18	19	11	8	38
Sindh Sales Tax payable	30	14	10	58	38	10	1	49
Federal Excise Duty payable	880	488	383	1,751	880	488	383	1,751
Habib Bank Limited - Sponsor								
	Number				Number			
Units held	128,334	-	-	128,334	128,334	-	-	128,334
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	55,416	-	-	39,399	44,071	-	-	44,071
Profit accrued on deposits with bank	28	106	82	216	41	36	53	130
Balance in savings account	4,898	68,157	58,247	27,996	8,194	14,677	9,042	31,913
Directors and Executives of the Pension Fund Manager and their relatives								
Directors of the Management Company and their relatives								
	Number				Number			
Units held	16,345	42,174	21,564	80,083	19,671	36,426	18,677	74,774
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	7,058	7,406	3,679	18,143	6,755	5,956	3,003	15,714
Executives and their relatives								
	Number				Number			
Units held	5,292	2	-	-	-	-	-	-
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	2,285	-	-	-	-	-	-	-
Directors of the Habib Bank Limited - Sponsor and their relatives								
Units held	-	-	-	-	-	-	-	-
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
	(Rupees in '000)				(Rupees in '000)			
Remuneration payable	29	14	19	62	17	11	7	35
Security deposit receivable	100	100	100	300	100	100	100.00	300
Directors of connected persons								
	Number				Number			
Units held	51	37	19.00	107	30	16	8	54
	(Rupees in '000)				(Rupees in '000)			
Amount of units held	22	6	38	31	10	3	1	14

10 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Note	Carrying amount			Fair Value				
	Held For trade	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)								
On-balance sheet financial instruments								
Financial assets measured at fair value								
Investments:								
- Listed equity securities	165,472	-	-	165,472	165,472	-	-	165,472
- Government of Pakistan - Ijarah Sukuks	11,425	-	-	11,425	-	11,425	-	11,425
- Sukuk certificates	-	-	-	-	-	-	-	-
	176,897	-	-	176,897	165,472	11,425	-	176,897
Financial assets not measured at fair value								
Bank balances	-	139,297	-	139,297	-	-	-	-
Dividend receivable and accrued mark-up	-	2,551	-	2,551	-	-	-	-
Advances, deposits and other receivables	-	4,528	-	4,528	-	-	-	-
Placements	-	14,551	-	14,551	-	-	-	-
	-	146,376	-	146,376	-	-	-	-
Financial liabilities not measured at fair value								
Payable to the Pension Fund Manager	-	-	419	419	-	-	-	-
Payable to the Trustee	-	-	55	55	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	22	22	-	-	-	-
Accrued expenses and other liabilities	-	-	814	814	-	-	-	-
Participants' sub-funds	-	-	-	-	-	-	-	-
	-	-	1,310	1,310	-	-	-	-

		June 30, 2021							
		Carrying amount			Fair Value				
		Held for Trade	Loans and receivables	Other financial assets / liabilities	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)							
On-balance sheet financial instruments									
Financial assets measured at fair value									
Investments:	5								
- Listed equity securities		188,120	-	-	188,120	188,120	-	-	188,120
- Government of Pakistan - Ijarah Sukuks		-	-	-	-	-	-	-	-
- Sukuk certificates - Unlisted		10,218	-	-	10,218	-	10,218	-	10,218
		198,338	-	-	198,338	188,120	10,218	-	198,338
Financial assets not measured at fair value									
	10.1								
Bank balances		-	100,262	-	100,262	-	-	-	-
Investments:									
-Unlisted Equity Securities		-	-	-	-	-	-	-	-
Dividend receivable and accrued mark-up		-	1,801	-	1,801	-	-	-	-
Advances, deposits and other receivables		-	3,120	-	3,120	-	-	-	-
		-	105,183	-	105,183	-	-	-	-
Financial liabilities not measured at fair value									
	10.1								
Payable to the Pension Fund Manager		-	-	500	500	-	-	-	-
Payable to the Trustee		-	-	54	54	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan		-	-	78	119	-	-	-	-
Accrued expenses and other liabilities		-	-	7,027	5,566	-	-	-	-
Participants' sub-funds		-	-	347,396	347,396	-	-	-	-
		-	-	355,055	353,635	-	-	-	-

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

11. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 28, 2021.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

12.1 In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Fund for the period ended September 30, 2021 due to increase in overall credit risk pertaining to the corporate debt instruments' portfolios of mutual funds, subdued equity market performance due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Fund, regulators / government across the country have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Fund is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives.

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

Chief Financial Officer

Chief Executive Officer

Director



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HBL

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