

HBL

ASSET MANAGEMENT LTD.
ایس ایٹ مینجمنٹ لمیٹڈ



Voluntary Pension Schemes

Quarterly
REPORT 2024

For the period ended September 30, 2024

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of October 24, 2024)

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

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

Technology Committee

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

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM1 (Stable Outlook)

Legal Advisor

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

Website

www.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, HBL Islamic Pension Fund, HBL KPK Pension Fund and HBL KPK Islamic Pension Fund (the Funds) for the period ended September 30, 2024.

ECONOMIC REVIEW

Continuing from the previous year, Pakistan's macroeconomic outlook marked significant improvements during the first quarter of the current fiscal year. Pakistan's external account position improved further with improvements in current account balance due to healthy growth in remittances, along with receipt of first tranche of the new 37-month USD7 billion Extended Fund Facility by the IMF that led to increase in Pakistan's foreign exchange reserves and appreciation of domestic currency. Pakistan's credit rating was also upgraded by Fitch and Moody's after financing assurances from friendly countries and staff-level agreement with the IMF. Persistent disinflation where monthly reading came down to single-digit, led to further reduction in interest rates during the quarter.

Current account balance posted a small deficit of USD98 million during the quarter under review with last two months posting a combined surplus of USD148 million. Current account deficit during the same quarter of the previous year was USD1.2 billion. Remittances from overseas Pakistanis contributed mostly to this progression, registering a growth of 38.8%. Foreign exchange reserves of the country increased to USD15.4 billion from USD14 billion at the end of the FY24. Domestic currency also showed strength with an appreciation of 0.2% during the quarter under review.

Headline inflation, continued on a downward trajectory during the quarter and entered single-digit with September 2024 outturn of 6.9% compared to 12.6% on June 2024. Apart from high base effect from the previous year, slowdown in food and decline in energy prices are the key cause of this disinflation. Core Non-Food-Non-Energy inflation also came down to 10.5% in September 2024 from 14.2% in June 2024. The Monetary Policy Committee (MPC) of the central bank (SBP) started reducing interest rates from June 2024 and reduced the policy rate further to 17.5% compared to 20.5% at the end of June 2024.

Pakistan economy has entered the phase of gradual recovery where the real GDP growth is estimated at around 3% for the ongoing fiscal year compared to 2.5% of the previous year. Declining inflation, reduction in interest rates, and stable external account position, are expected to help achieving this growth target. However, performance of agriculture sector remains a concern where Large Scale Manufacturing Index for the first two months of the ongoing fiscal year has also declined by 0.2%. With average inflation for the year expected in single-digit, further cuts in interest are expected in the coming MPC meetings. The new program with the IMF and support from friendly countries in the shape of roll-overs of debt and new investments, could lead to support from other bilateral and multilateral partners, which may lead to further upgrade in the country's credit rating. However, implementation of the much-needed structural reforms are crucial for achieving a long-term all-inclusive growth. With declining interest rates, fiscal account is also expected to post a healthy recovery with declining cost of debt servicing. Overall outlook of Pakistan's macroeconomy is positive with risks emanating from external factors including increase in international commodities prices amid middle eastern conflict. On the domestic side, political instability and delays in implementation of the long-pending structural reforms are the key risks to persistent economic recovery.

STOCK MARKET REVIEW

Pakistan equities market remained range bound during majority of the quarter under review with thin turnover. Despite improving macroeconomic outlook, political uncertainties, delays in approval of the new EFF by the IMF, and expected foreign selling after the FTSE rebalancing, led investors to remain on sidelines. However, towards the end of the quarter under review, renewed optimism and investor confidence was seen in the market with the approval of the IMF EFF and rating upgrade of the country. The benchmark KSE100 Index gained 2,669 points, 3.4% to close the quarter at 81,114 level. The benchmark for Shariah compliant stocks KMI30 Index lost 1,673 points, -1.3% to close the quarter at 124,751 level.

Overall activity during the quarter under review remained thin with a decline in KSE-All-Share Index average daily volume and value traded to 490 million shares and PKR18 billion, respectively compared to 491.7 million shares and PKR19.4 billion, respectively of the previous quarter, registering a decline of 0.3% and 6.8%, respectively on quarter-on-quarter basis. On a yearly comparison however, turnover improved by 74.5% and 87.4%, respectively. Foreign investors sold equities worth USD21.7 million during the quarter while on the domestic side, individuals, mutual funds, and banks were major buyers in the market.

Top positive contributing sectors to the KSE100 Index were Fertilizer, Oil & Gas E&P, and Banks with contributions of 2,203, 1,564, and 1,115 points, respectively. Whereas top negative contributing sectors to the KSE100 Index were Power, Technology, and Engineering with contributions of -1,289, -255, and -238 points, respectively.

Top positive contributing sectors to the KMI30 Index were Oil & Gas E&P, Fertilizer, and Technology with contributions of 3,049, 1,235, and 225 points, respectively. Whereas top negative contributing sectors to the KMI30 Index were Power, Automobile Assemblers, and Banks with contributions of -3,988, -817, and -412 points, respectively.

Although a healthy performance of Pakistan's equities market is witnessed in the recent past, taking it along the best performing markets of the World, the performance is expected to continue in the medium to long-term as the country marches on the path of gradual economic recovery. A manageable external account with the support of IMF and bilateral and multilateral partners would also lead to further improvement in credit rating of the country. Declining inflation and interest rates, and improving corporate profitability are likely to fetch more liquidity towards the equities market of the country. Attractive valuations as the market still offers dividend yields of up to 15% along with a PER of around 4.0x, makes Pakistan's equities market an enticing case of handsome returns in the medium to long term.

MONEY MARKET REVIEW

As the MPC of the central bank initiated monetary easing with a cumulative reduction of 450 basis points since June 2024, secondary market yields on 3-month, 6-month, 1-year, 3-year, 5-year, and 10-year, government securities, in anticipation of more cuts to come, have further declined by 4.5%, 5.3%, 5.2%, 4.2%, 3.2%, and 2%, respectively to 15.5%, 14.6%, 13.5%, 12.3%, 12.2%, and 12.1%, respectively, against a policy rate of 17.5%.

Cut-off yields on 3-month, 6-month, and 1-year, T-Bills in the auction held on September 4th, 2024 stood at 17.5%, 17.7%, and 17%, respectively. Moreover, the next auction was scrapped by the government that took place on September 18th, 2024. With a handsome amount of liquidity with the government of Pakistan after the transfer from SBP's profits of PKR3.4 trillion, it initiated the first ever buyback of T-Bills from the money market. In the first buyback, the government bought T-Bills worth PKR350 billion against a target of PKR500 billion. The amount of outstanding Open Market Operations (OMO) declined to around PKR10.8 trillion from around PKR11.9 trillion at the end of June 2024.

In the last auction of Ijara Sukuk held on September 16th, 2024, rental rates of fixed rate instruments with tenures of 3-year, and 5-year, declined to 13.9%, and 13.9%, respectively from 15.8%, and 15.1%, respectively in June 2024.

Despite decline in interest rates, real interest rates have remained significantly positive on both spot and forward-looking basis due to sharp decline in inflation. Further cuts in policy rate are expected leading to further decline in money market yields going forward.

Fund's Performance

HBL Pension Fund

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

The Fund as a whole earned a total and net income of Rs. 125.22 million and Rs. 116.69 million respectively during the period under review. The fund size increased from Rs. 2,047.30 million as on June 30, 2024 to Rs. 2,172.15 million as at September 30, 2024 thereby showing an increase of 6% 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. 2.25 million and Rs. 3.35 million respectively. The net assets of the Equity sub-fund was Rs. 98.05 million representing Net Asset Value (NAV) of Rs. 519.9141 per unit as at September 30, 2024. The Sub Fund yielded a return of 0.48% for the period under review. The Fund is invested to the extent of 92% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 72.06 million and Rs. 68.77 million respectively. The net assets of the Debt sub-fund was Rs. 955.92 million representing Net Asset Value (NAV) of Rs. 368.8451 per unit as at September 30, 2024. The Fund yielded annualized return of 32.95% 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. 55.41 million and Rs. 51.28 million respectively. The net assets of the Money Market sub-fund was Rs. 1,118.17 million representing Net Asset Value (NAV) of Rs. 310.6033 per unit as at September 30, 2024. An annualized return of 19.54% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

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

The Fund as a whole earned a total and net income of Rs. 63.73 million and Rs. 59.82 million respectively during the period under review. The fund size increased from Rs. 1,181.95 million as at June 30, 2024 to Rs. 1,321.25 million as at September 30, 2024 showing an increase of 12%. Performance review for each sub fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned a total and income of Rs. 2.73 million and Rs. 1.91 million respectively. The net assets of the Equity sub-fund was Rs. 151.79 million representing Net Asset Value (NAV) of Rs. 567.2946 per unit as at September 30, 2024. The Fund yielded a return of 0.79% for the period. The Sub Fund is invested to the extent of 95% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 22.49 million and Rs. 21.35 million respectively. The net assets of the Debt sub-fund was Rs. 402.63 million representing Net Asset Value (NAV) of Rs. 282.5283 per unit as at September 30, 2024. The Fund yielded annualized return of 22.23% for the period under review.

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 38.52 million Rs. 36.55 million respectively. The net assets of the Money Market sub-fund was Rs. 766.83 million representing Net Asset Value (NAV) of Rs. 273.0820 per unit as at September 30, 2024. An annualized return of 20.24% was earned by the Fund for the period under review.

HBL KPK Pension Fund

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

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

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

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 2.02 million Rs. 1.93 million respectively. The net assets of the Money Market sub-fund was Rs. 40.93 million representing Net Asset Value (NAV) of Rs. 116.9112 per unit as at September 30, 2024. An annualized return of 19.69% was earned by the Fund for the period under review.

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

HBL KPK Islamic Pension Fund

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

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

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

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 2.34 million Rs. 2.24 million respectively. The net assets of the Money Market sub-fund was Rs. 40.29 million representing Net Asset Value (NAV) of Rs. 116.8390 per unit as at September 30, 2024. An annualized return of 23.43% was earned by the Fund for the period under review.

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

Acknowledgement

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

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

**On behalf of the Board of
HBL Asset Management Limited**

Chief Executive Officer

HBL

Pension Fund

FUND INFORMATION

| | |
|-----------------|--|
| Name of Fund | HBL Pension Fund |
| Name of Auditor | BDO Ebrahim & Co. |
| Name of Trustee | Central Depository Company of Pakistan Limited (CDC) |
| Bankers | Habib Bank Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Sindh Bank Limited Soneri Bank Limited Zarai Taraqati Bank Limited U Microfinance Bank Ltd Bank Alfalah Limited Khushhali Microfinance Bank Ltd Bank Al Habib Ltd National Bank of Pakistan HBL Microfinance Bank Ltd Dubai Islamic Bank Limited |

HBL Pension Fund

Condensed Interim Statement of Assets and Liabilities

AS AT SEPTEMBER 30, 2024

| | Note | September 30, 2024 (Un-audited) | | | | June 30, 2024 (Audited) | | | |
|---|-------|---------------------------------|------------------|-----------------------|------------------|-------------------------|------------------|-----------------------|------------------|
| | | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| (Rupees in '000) | | | | | | | | | |
| ASSETS | | | | | | | | | |
| Bank balances | 4 | 5,764 | 399,393 | 159,074 | 564,231 | 3,879 | 403,682 | 569,523 | 977,084 |
| Investments - net | 5 | 93,970 | 528,069 | 956,827 | 1,578,866 | 94,743 | 478,931 | 468,914 | 1,042,588 |
| Dividend receivable and accrued mark-up | | 2,389 | 31,265 | 7,153 | 40,807 | 120 | 25,906 | 7,637 | 33,663 |
| Receivable Against issuance of Units | | - | - | - | - | - | 1,464 | - | 1,464 |
| Advances, deposits, prepayments and other receivables | | 2,681 | 480 | 288 | 3,449 | 2,682 | 669 | 216 | 3,567 |
| Total assets | | 104,804 | 959,207 | 1,123,342 | 2,187,353 | 101,424 | 910,652 | 1,046,290 | 2,058,366 |
| LIABILITIES | | | | | | | | | |
| Payable to HBL Asset Management Limited | | | | | | | | | |
| - Pension Fund Manager | 9.2.1 | 91 | 883 | 1,128 | 2,102 | 115 | 879 | 1,069 | 2,063 |
| Payable to the Central Depository Company of Pakistan Limited | | | | | | | | | |
| - Trustee | | 11 | 101 | 129 | 241 | 15 | 101 | 122 | 238 |
| Payable to the Securities and Exchange Commission of Pakistan | | 12 | 86 | 108 | 206 | 42 | 203 | 350 | 595 |
| Payable against purchase of Securities | | 2,109 | - | - | 2,109 | 352 | - | - | 352 |
| Accrued expenses and other liabilities | 6 | 4,532 | 2,213 | 3,803 | 10,548 | 3,617 | 1,037 | 3,160 | 7,814 |
| Total liabilities | | 6,755 | 3,283 | 5,168 | 15,206 | 4,141 | 2,220 | 4,701 | 11,062 |
| NET ASSETS | | 98,049 | 955,924 | 1,118,174 | 2,172,147 | 97,283 | 908,432 | 1,041,589 | 2,047,304 |
| PARTICIPANTS' SUB-FUNDS (as per statement attached) | | 98,049 | 955,924 | 1,118,174 | 2,172,147 | 97,283 | 908,432 | 1,041,589 | 2,047,304 |
| Contingencies and commitments | | | | | | | | | |
| Number of units in issue | 7 | 188,586 | 2,591,667 | 3,600,006 | 6,380,259 | 188,020 | 2,667,461 | 3,518,606 | 6,374,087 |
| Rupees | | | | | | | | | |
| Net asset value per unit | | 519.9141 | 368.8451 | 310.6033 | | 517.4060 | 340.5606 | 296.0229 | |

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Income Statement & Statement of Comprehensive Income (Un-audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| | Three months ended September 30, 2024 | | | | Three months ended September 30, 2023 | | | |
|---|---------------------------------------|---------------|-----------------------|----------------|---------------------------------------|---------------|-----------------------|---------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| Note ----- (Rupees in '000) ----- | | | | | | | | |
| Income | | | | | | | | |
| Dividend income | 2,245 | - | - | 2,245 | 884 | - | - | 884 |
| Profit on bank deposits | 23 | 6,702 | 4,124 | 10,849 | 100 | 9,577 | 1,403 | 11,080 |
| Mark-up / return on investments | - | 28,319 | 47,499 | 75,818 | - | 11,775 | 39,712 | 51,487 |
| Net gain / (loss) on sale of investments | 3,758 | (1,159) | (786) | 1,813 | 3,262 | 153 | 1,292 | 4,707 |
| | 6,026 | 33,862 | 50,837 | 90,725 | 4,246 | 21,505 | 42,407 | 68,158 |
| Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | (8,272) | 38,201 | 4,570 | 34,499 | 2,653 | 2,338 | 55 | 5,046 |
| | (2,246) | 72,063 | 55,407 | 125,224 | 6,899 | 23,843 | 42,462 | 73,204 |
| Expenses | | | | | | | | |
| Remuneration to HBL Asset Management Limited - Pension Fund Manager | 349 | 2,383 | 2,998 | 5,730 | 272 | 1,169 | 2,232 | 3,673 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 43 | 308 | 388 | 739 | 27 | 169 | 322 | 518 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 12 | 86 | 108 | 206 | 6 | 40 | 76 | 122 |
| Allocation of Expenses | - | 468 | 588 | 1,056 | - | 356 | 681 | 1,037 |
| Auditors' remuneration | 21 | 23 | 23 | 67 | 14 | 36 | 38 | 88 |
| Settlement and bank charges | 676 | 29 | 27 | 732 | 653 | 25 | 13 | 691 |
| | 1,101 | 3,297 | 4,132 | 8,530 | 972 | 1,795 | 3,362 | 6,129 |
| Net income / (loss) from operating activities | (3,347) | 68,766 | 51,275 | 116,694 | 5,927 | 22,048 | 39,100 | 67,075 |
| Taxation | - | - | - | - | - | - | - | - |
| Net income / (loss) for the period after taxation | (3,347) | 68,766 | 51,275 | 116,694 | 5,927 | 22,048 | 39,100 | 67,075 |
| Other comprehensive income | - | - | - | - | - | - | - | - |
| Total comprehensive income / (loss) for the period | (3,347) | 68,766 | 51,275 | 116,694 | 5,927 | 22,048 | 39,100 | 67,075 |

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Statement Of Movement In Participants Sub Funds (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| | Three months ended ended September 30, 2024 | | | | Three months ended ended September 30, 2023 | | | |
|--|---|------------------|-----------------------------|-------------|---|------------------|-----------------------------|-----------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Net assets at beginning of the period | 97,283 | 908,432 | 1,041,589 | 2,047,304 | 57,367 | 379,606 | 704,449 | 1,141,422 |
| Amount received on issuance of units | 340,136 | 1,573,519 | 1,156,583 | 3,070,238 | 1,888 | 26,184 | 67,140 | 95,212 |
| Amount paid on redemption of units | (336,023) | (1,594,793) | (1,131,273) | (3,062,089) | (966) | (13,205) | (36,136) | (50,307) |
| Net income / (loss) for the period | (3,347) | 68,766 | 51,275 | 116,694 | 5,927 | 22,048 | 39,100 | 67,075 |
| Total comprehensive income / (loss) for the period | (3,347) | 68,766 | 51,275 | 116,694 | 5,927 | 22,048 | 39,100 | 67,075 |
| Net assets at end of the period | 98,049 | 955,924 | 1,118,174 | 2,172,147 | 64,216 | 414,633 | 774,553 | 1,253,402 |

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

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| | Three months ended ended September 30, 2024 | | | | Three months ended ended September 30, 2023 | | | |
|--|---|-----------------|-----------------------|------------------|---|----------------|-----------------------|----------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| ----- (Rupees in '000) ----- | | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Net income / (loss) for the period after taxation | (3,347) | 68,766 | 51,275 | 116,694 | 5,927 | 22,048 | 39,100 | 67,075 |
| Adjustments: | | | | | | | | |
| Unrealized (gain) / loss on revaluation of investments at fair value through classified as fair value through profit or loss | 8,272 | (38,201) | (4,570) | (34,499) | (2,653) | (2,338) | (55) | (5,046) |
| | 4,925 | 30,565 | 46,705 | 82,195 | 3,274 | 19,710 | 39,045 | 62,029 |
| (Increase) / decrease in assets | | | | | | | | |
| Investments - net | (7,499) | (12,096) | (483,343) | (502,938) | (6,240) | (40,439) | 35,973 | (10,706) |
| Dividend & profit receivable | (2,269) | (5,359) | 484 | (7,144) | (27) | (19,995) | (25,523) | (45,545) |
| Advances, deposits, prepayments and other receivables | 1 | 189 | (72) | 118 | 130 | 349 | 13 | 492 |
| | (9,767) | (17,266) | (482,931) | (509,964) | (6,137) | (60,085) | 10,463 | (55,759) |
| Increase / (decrease) in liabilities | | | | | | | | |
| Payable to HBL Asset Management Limited - Pension Fund Manager | (24) | 4 | 59 | 39 | 2,507 | (49) | (79) | 2,379 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (4) | - | 7 | 3 | 3 | 15 | 28 | 46 |
| Payable to the Securities and Exchange Commission of Pakistan | (30) | (117) | (242) | (389) | (21) | (80) | (126) | (227) |
| Payable against purchase of Securities | 1,757 | - | - | 1,757 | - | - | - | - |
| Accrued expenses and other liabilities | 915 | 1,545 | 643 | 3,103 | 97 | 94,766 | 170 | 95,033 |
| | 2,614 | 1,432 | 467 | 4,513 | 2,586 | 94,652 | (7) | 97,231 |
| Net cash (used in) / generated from operating activities | (2,228) | 14,731 | (435,759) | (423,256) | (277) | 54,277 | 49,501 | 103,501 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Amount received on issue of units | 340,136 | 1,573,519 | 1,156,583 | 3,070,238 | 1,888 | 26,184 | 67,140 | 95,212 |
| Amount paid on redemption of units | (336,023) | (1,594,793) | (1,131,273) | (3,062,089) | (966) | (13,205) | (36,136) | (50,307) |
| Net cash (used in) / generted from financing activities | 4,113 | (21,274) | 25,310 | 8,149 | 922 | 12,979 | 31,004 | 44,905 |
| Net increase / (decrease) in cash and cash equivalents | 1,885 | (6,543) | (410,449) | (415,107) | 645 | 67,256 | 80,505 | 148,406 |
| Cash and cash equivalents at beginning of the period | 3,879 | 403,682 | 569,523 | 977,084 | 2,864 | 130,298 | 37,880 | 171,042 |
| Cash and cash equivalents at end of the period | 5,764 | 397,139 | 159,074 | 561,977 | 3,509 | 197,554 | 118,385 | 319,448 |

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

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

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.

VIS Credit Rating Agency has assigned management quality rating of 'AM1' (Stable Outlook) to the Pension Fund Manager while the Fund is currently not rated.

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

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, 2024.

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, 2024.

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, 2024.

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, 2024. 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, 2024.

4. BANK BALANCES

| Note | September 30, 2024 (Unaudited) | | | | June 30, 2024 (Audited) | | | | |
|------------------|--------------------------------|----------|--------------------|---------|-------------------------|----------|--------------------|---------|---------|
| | Equity | Debt | Money | Total | Equity | Debt | Money | Total | |
| | Sub-Fund | Sub-Fund | Market Sub-Fund | | Sub-Fund | Sub-Fund | Market Sub-Fund | | |
| | ----- (Rupees in '000) ----- | | | | | | | | |
| Savings accounts | 4.1 | 5,764 | 399,393 | 159,074 | 564,231 | 3,879 | 403,682 | 569,523 | 977,084 |
| | | 5,764 | 399,393 | 159,074 | 564,231 | 3,879 | 403,682 | 569,523 | 977,084 |

4.1 This includes balances of Rs. 0.929 million, Rs.19.335 million & Rs.68.922 million. (June 30,2024: Rs.2.471 million, Rs.3.97 million & Rs.5.689 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party). Profit rates on these accounts range between 6% to 17.50% per annum (June 30, 2024: 17.5% - 21.51% per annum).

5. INVESTMENTS

| Note | September 30, 2024 (Unaudited) | | | | June 30, 2024 (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) ----- | | | | | | | | | |
| Investments by category | | | | | | | | | |
| At fair value through profit or loss | | | | | | | | | |
| Listed equity securities | 5.1 | 93,970 | - | - | 93,970 | 94,743 | - | - | 94,743 |
| Government Securities | 5.2 | - | 99,888 | 828,827 | 928,715 | - | 60,274 | 378,914 | 439,188 |
| - Market Treasury Bills | | - | 99,888 | 828,827 | 928,715 | - | 60,274 | 378,914 | 439,188 |
| - Pakistan Investment Bonds | | - | 376,938 | - | 376,938 | - | 342,182 | - | 342,182 |
| - GOP Ijarah Sukuk | | - | - | - | - | - | - | - | - |
| Term Finance Certificates and Sukuks | 5.3 | - | 51,243 | 128,000 | 179,243 | - | 76,475 | 90,000 | 166,475 |
| | | 93,970 | 528,069 | 956,827 | 1,578,866 | 94,743 | 478,931 | 468,914 | 1,042,588 |
| | | 93,970 | 528,069 | 956,827 | 1,578,866 | 94,743 | 478,931 | 468,914 | 1,042,588 |

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

Held by Equity Sub-Fund

| Name of the Investee Company | As at July 1, 2024 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at Sep 30, 2024 | Market value as at Sep 30, 2024 | Market value as a percentage of total investments of sub-fund | Market value as a percentage of net assets of sub-fund | Par value as a percentage of issued capital of the investee company |
|---|--------------------|-----------------------------|----------------------|-------------------------|--------------------|---------------------------------|---|--|---|
| ----- (Number of Shares) ----- | | | | | | | | | |
| ----- (%) ----- | | | | | | | | | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | |
| Honda Atlas Cars Pakistan Limited | 8,530 | - | - | 5,100 | 3,430 | 859 | 0.91 | 0.88 | 0.02 |
| Indus Motor Company Limited | 313 | - | - | - | 313 | 543 | 0.58 | 0.55 | - |
| Ghandhara Industries Limited | - | 1,950 | - | - | 1,950 | 626 | 0.67 | 0.64 | 0.05 |
| Sazgar Engineering Works Limited | 560 | - | - | 100 | 460 | 443 | 0.47 | 0.45 | 0.01 |
| | 9,403 | 1,950 | - | 5,200 | 6,153 | 2,471 | 2.63 | 2.52 | |
| AUTOMOBILE PARTS AND ACCESSORIES | | | | | | | | | |
| Baluchistan Wheels Limited | 18,000 | - | - | 6,190 | 11,810 | 1,245 | 1.32 | 1.27 | 0.89 |
| Panther Tyres Limited | 4,500 | 37,434 | - | 7,000 | 34,934 | 1,387 | 1.48 | 1.41 | 0.21 |
| | 22,500 | 37,434 | - | 13,190 | 46,744 | 2,632 | 2.80 | 2.68 | |
| CEMENT | | | | | | | | | |
| D. G. Khan Cement Co. Limited ** | 68,293 | 93,827 | - | 116,800 | 45,320 | 3,331 | 3.54 | 3.40 | 0.10 |
| Fauji Cement Company Limited. | 261,500 | 374,400 | - | 426,900 | 209,000 | 5,284 | 5.62 | 5.39 | 0.09 |
| Lucky Cement Limited | - | 11,300 | - | 10,233 | 1,067 | 943 | 1.00 | 0.96 | - |
| Maple Leaf Cement Factory Limited ** | 119,456 | 228,100 | - | 265,056 | 82,500 | 2,676 | 2.85 | 2.73 | 0.08 |
| Pioneer Cement Limited | 23,700 | 26,750 | - | 22,150 | 28,300 | 5,128 | 5.46 | 5.23 | 0.12 |
| | 472,949 | 734,377 | - | 841,139 | 366,187 | 17,362 | 18.47 | 17.71 | |
| CHEMICAL | | | | | | | | | |
| ITTEHAD CHEMICALS LIMITED | 10,000 | - | - | - | 10,000 | 435 | 0.46 | 0.44 | 0.10 |
| Biafo Industries Limited | - | 2,300 | - | - | 2,300 | 266 | 0.28 | 0.27 | 0.05 |
| | 10,000 | 2,300 | - | - | 12,300 | 701 | 0.74 | 0.71 | |
| COMMERCIAL BANKS | | | | | | | | | |
| Bank Islami Pakistan Limited | 41,000 | - | - | 41,000 | - | - | - | - | - |
| Faysal Bank Limited | 840 | - | - | - | 840 | 39 | 0.04 | 0.04 | - |
| Habib Bank Limited (a related party) | 16,700 | 2,600 | - | 12,500 | 6,800 | 864 | 0.92 | 0.88 | - |
| MCB Bank Limited | 8,820 | 22,300 | - | 24,700 | 6,420 | 1,543 | 1.64 | 1.57 | 0.01 |
| Meezan Bank Limited | 7,431 | 16,500 | - | 20,050 | 3,881 | 885 | 0.94 | 0.90 | - |
| United Bank Limited ** | 28,600 | 60,000 | - | 62,800 | 25,800 | 7,519 | 8.00 | 7.67 | 0.02 |
| Bank Al-Habib Limited | 27,138 | 32,000 | - | 45,138 | 14,000 | 1,382 | 1.47 | 1.41 | 0.01 |
| Bank Alfalah Ltd | 15,400 | 53,500 | - | 48,100 | 20,800 | 1,262 | 1.34 | 1.29 | 0.01 |
| Habib Metropolitan Bank | 7,400 | 1,400 | - | - | 8,800 | 591 | 0.63 | 0.60 | 0.01 |
| | 153,329 | 188,300 | - | 254,288 | 87,341 | 14,085 | 14.98 | 14.36 | |

| Name of the Investee Company | As at July 1, 2024a | Purchases during the period | Bonus / Rights issue | Sales during the period | As at Sep 30, 2024 | Market value as at Sep 30, 2024 | Market value as a percentage of total investments of sub-fund | Market value as a percentage of net assets of sub-fund | Par value as a percentage of issued capital of the investee company | |
|--|--------------------------------|-----------------------------|----------------------|-------------------------|--------------------|---------------------------------|---|--|---|------|
| | ----- (Number of Shares) ----- | | | | | | ----- (%) ----- | | | |
| ENGINEERING | | | | | | | | | | |
| International Steels Limited | 5.1.1 | 10,700 | 13,500 | - | 13,200 | 11,000 | 690 | 0.73 | 0.70 | 0.03 |
| Mughal Iron and Steel Industries Limited | | 12,176 | 39,000 | - | 39,000 | 12,176 | 943 | 1.00 | 0.96 | 0.04 |
| AGHA - AGHA STEEL INDUSTRIES LTD | | 65,005 | 40,000 | - | 105,005 | - | - | - | - | - |
| AISHA STEEL MILLS LIMITED | | 91,000 | 190,000 | - | 215,000 | 66,000 | 416 | 0.44 | 0.42 | 0.07 |
| | | 178,881 | 282,500 | - | 372,205 | 89,176 | 2,049 | 2.17 | 2.08 | |
| FERTILIZER | | | | | | | | | | |
| Fauji Fertilizer Bin Qasim Limited | | 28,500 | - | - | 17,500 | 11,000 | 551 | 0.59 | 0.56 | 0.01 |
| Fauji Fertilizer Company Limited | | - | 28,000 | - | 4,150 | 23,850 | 5,305 | 5.65 | 5.41 | 0.02 |
| | | 28,500 | 28,000 | - | 21,650 | 34,850 | 5,856 | 6.24 | 5.97 | |
| GLASS & CERAMICS | | | | | | | | | | |
| Tariq Glass Limited | | 8,000 | 28,000 | - | 28,000 | 8,000 | 892 | 0.95 | 0.91 | 0.05 |
| | | 8,000 | 28,000 | - | 28,000 | 8,000 | 892 | 0.95 | 0.91 | |
| OIL AND GAS EXPLORATION COMPANIES | | | | | | | | | | |
| Oil and Gas Development Company Limited ** | 5.1.1 | 45,534 | 139,000 | - | 122,900 | 61,634 | 8,840 | 9.41 | 9.02 | 0.01 |
| Pakistan Petroleum Limited ** | | 49,950 | 131,500 | - | 131,500 | 49,950 | 5,336 | 5.68 | 5.44 | 0.02 |
| | | 95,484 | 270,500 | - | 254,400 | 111,584 | 14,176 | 15.09 | 14.46 | |
| OIL AND GAS MARKETING COMPANIES | | | | | | | | | | |
| Pakistan State Oil Company Limited** | 5.1.1 | 27,200 | 36,500 | - | 34,281 | 29,419 | 4,745 | 5.05 | 4.84 | 0.06 |
| Sui Northern Gas Pipelines Limited** | | 96,100 | 69,500 | - | 101,000 | 64,600 | 4,118 | 4.38 | 4.20 | 0.10 |
| Mari Gas Company Limited | | - | 1,805 | 14,440 | 1,500 | 14,745 | 6,275 | 6.68 | 6.40 | 0.01 |
| | | 123,300 | 107,805 | 14,440 | 136,781 | 108,764 | 15,138 | 16.11 | 15.44 | |
| MISCELLANEOUS | | | | | | | | | | |
| Pakistan Hotels Developers Limited | | - | 700 | - | - | 700 | 39 | 0.04 | 0.04 | 0.04 |
| Exide Pakistan Ltd. | | 2,300 | - | - | 1,350 | 950 | 836 | 0.89 | 0.85 | 0.12 |
| AL-Ghazi Tractors Ltd. | | 3,900 | - | - | 207 | 3,693 | 1,414 | 1.50 | 1.44 | 0.13 |
| Thatta Cement Company Limited | | - | 50,000 | - | 33,500 | 16,500 | 1,367 | 1.45 | 1.39 | 0.17 |
| Abbot Laboratories (Pakistan) Ltd. | | 1,329 | 310 | - | - | 1,639 | 1,254 | 1.33 | 1.28 | 0.02 |
| | | 7,529 | 51,010 | - | 35,057 | 23,482 | 4,910 | 5.21 | 5.00 | |
| PHARMACEUTICALS | | | | | | | | | | |
| Highnoon Laboratories Limited | 5.1.1 | 56 | 1,800 | - | - | 1,856 | 1,273 | 1.35 | 1.30 | 0.04 |
| Ferozsons Laboratories Limited | | 3,940 | 2,220 | - | 2,100 | 4,060 | 1,179 | 1.25 | 1.20 | 0.09 |
| Searle Pakistan Limited | | 16,672 | - | - | 7,999 | 8,673 | 494 | 0.53 | 0.50 | 0.02 |
| AGP Limited | 5.1.1 | - | 6,320 | - | - | 6,320 | 700 | 0.74 | 0.71 | 0.02 |
| | | 20,668 | 10,340 | - | 10,099 | 20,909 | 3,646 | 3.87 | 3.71 | |
| PAPER & BOARD | | | | | | | | | | |
| Century Paper and Board Mills Limited | | 29,400 | 21,000 | - | 32,000 | 18,400 | 459 | 0.49 | 0.47 | 0.05 |
| | | 29,400 | 21,000 | - | 32,000 | 18,400 | 459 | 0.49 | 0.47 | |
| POWER GENERATION AND DISTRIBUTION | | | | | | | | | | |
| The Hub Power Company Limited ** | | 51,320 | 73,000 | - | 89,200 | 35,120 | 4,191 | 4.46 | 4.27 | 0.03 |
| K-Electric Limited | | 185,000 | - | - | - | 185,000 | 696 | 0.74 | 0.71 | 0.02 |
| | | 236,320 | 73,000 | - | 89,200 | 220,120 | 4,887 | 5.20 | 4.98 | |
| FOOD AND PERSONAL CARE PRODUCTS | | | | | | | | | | |
| Murree Brewery Company Limited | | 5,500 | - | - | 2,050 | 3,450 | 1,725 | 1.84 | 1.76 | 0.12 |
| | | 5,500 | - | - | 2,050 | 3,450 | 1,725 | 1.84 | 1.76 | |
| REFINERY | | | | | | | | | | |
| Attock Refinery Limited | | 2,460 | - | - | 2,460 | - | - | - | - | - |
| National Refinery Limited | | 3,210 | - | - | 3,210 | - | - | - | - | - |
| | | 5,670 | - | - | 5,670 | - | - | - | - | |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | | |
| Air Link Communication Limited | | - | 8,600 | - | 2,000 | 6,600 | 859 | 0.91 | 0.88 | 0.02 |
| Systems Limited | | - | 2,810 | - | 600 | 2,210 | 897 | 0.95 | 0.91 | 0.01 |
| TPL Trakker Limited | | 140,000 | - | - | - | 140,000 | 1,225 | 1.30 | 1.25 | 0.75 |
| Avanceon Limited | | - | 19,500 | - | 19,500 | - | - | - | - | - |
| | | 140,000 | 30,910 | - | 22,100 | 148,810 | 2,981 | 3.16 | 3.04 | |
| Total as at September 30, 2024 | | 1,547,433 | 1,867,426 | 14,440 | 2,123,029 | 1,306,270 | 93,970 | 100.0 | 95.80 | |
| Carrying Value at at September 30, 2024 | | | | | | | 102,242 | | | |
| Total as at June 30, 2024 | | 1,318,488 | 6,920,680 | - | 6,691,735 | 1,547,433 | 94,743 | # | | |

** Investments include shares having market value Rs. 28.967 million (June 30, 2024: 31.961 million) , that have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP.

5.1.1 Finance Act, 2014 had brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the mutual funds based on the premise of exemption available to mutual funds under clause 99 of Part I and clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having fair market value of Rs. 1.440 million at September 30, 2024 (June 30, 2024: Rs. 0.194 million) and not yet deposited on CDC account of department of Income tax. Pension Fund Manager is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at period end.

5.2 Government Securities - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

| Issue date | Face value | | | | Carrying Value as at September 30, 2024 | Market value as at September 30, 2024 | Market value as a percentage of | | |
|--|--------------------|-----------------------------|-----------------------------------|--------------------------|---|---------------------------------------|-----------------------------------|----------------------------|--------------|
| | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at September 30, 2024 | | | Total investments of the sub-fund | Net assets of the sub-fund | |
| ----- (Rupees in '000) ----- | | | | | | | ----- % ----- | | |
| Market Treasury Bills | | | | | | | | | |
| Treasury Bill - 12 months | May 2, 2024 | 70,000 | - | 10,000 | 60,000 | 53,919 | 55,332 | 10.48 | 5.79 |
| Treasury Bill - 12 months | August 22, 2024 | - | 50,000 | - | 50,000 | 43,573 | 44,556 | 8.44 | 4.66 |
| Total as at September 30, 2024 | | 70,000 | 50,000 | 10,000 | 110,000 | 97,492 | 99,888 | 18.92 | 10.45 |
| Total as at June 30, 2024 | | 70,000 | 2,064,000 | 2,008,000 | 70,000 | 59,889 | 60,274 | | |
| Pakistan Investment Bonds - FRB | | | | | | | | | |
| Pakistan Investment Bonds - 5 Years | 13-Oct-22 | 75,000 | - | - | 75,000 | 64,133 | 71,661 | 13.57 | 7.50 |
| Pakistan Investment Bonds - 3 Years | 15-Feb-24 | 194,000 | - | - | 194,000 | 183,282 | 199,600 | 37.80 | 20.88 |
| Pakistan Investment Bonds - 5 Years | 17-Jan-24 | 100,000 | - | - | 100,000 | 94,767 | 105,677 | 20.01 | 11.05 |
| Total as at September 30, 2024 | | 369,000 | - | - | 369,000 | 342,182 | 376,938 | 71.38 | 39.43 |
| Total as at June 30, 2024 | | - | 1,420,000 | 1,051,000 | 369,000 | 340,919 | 342,182 | | |

5.2.2 Held by Money Market Sub-Fund

| Issue date | Face value | | | | Carrying Value as at September 30, 2024 | Market value as at September 30, 2024 | Market value as a percentage of | | |
|---------------------------------------|--------------------|-----------------------------|-----------------------------------|--------------------------|---|---------------------------------------|-----------------------------------|----------------------------|--------------|
| | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at September 30, 2024 | | | Total investments of the sub-fund | Net assets of the sub-fund | |
| ----- (Rupees in '000) ----- | | | | | | | ----- % ----- | | |
| Market Treasury Bills | | | | | | | | | |
| Treasury Bill - 12 months | 16-Nov-23 | 4,800 | - | - | 4,800 | 4,685 | 4,705 | 0.49 | 0.49 |
| Treasury Bill - 6 months | 18-Apr-24 | 10,500 | - | - | 10,500 | 10,405 | 10,420 | 1.09 | 1.09 |
| Treasury Bill - 12 months | 02-Nov-23 | 44,000 | - | 35,000 | 9,000 | 8,852 | 8,874 | 0.93 | 0.79 |
| Treasury Bill - 6 months | 30-May-24 | 350,000 | - | - | 350,000 | 339,310 | 341,210 | 35.66 | 35.69 |
| Treasury Bill - 6 months | 05-Sep-24 | - | 81,000 | - | 81,000 | 75,357 | 76,160 | 7.96 | 7.97 |
| Treasury Bill - 6 months | 22-Aug-24 | - | 200,000 | - | 200,000 | 187,258 | 188,972 | 19.75 | 19.77 |
| Treasury Bill - 12 months | 19-Oct-23 | - | 200,000 | - | 200,000 | 198,390 | 198,486 | 20.74 | 20.76 |
| Total as at September 30, 2024 | | 409,300 | 481,000 | 35,000 | 855,300 | 824,257 | 828,827 | 86.62 | 86.56 |
| Total as at June 30, 2024 | | 409,300 | 6,276,000 | 6,211,700 | 409,300 | 378,370 | 378,914 | | |

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

5.3.1 Held by Debt Sub-Fund

| Name of the investee company | Maturity Date | Number of certificates | | | | Carrying Value as at September 30, 2024 | Market value as at September 30, 2024 | Market value as a percentage of | |
|---------------------------------------|---------------|------------------------|-----------------------------|-----------------------------------|----------------------------|---|---------------------------------------|-----------------------------------|----------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / Matured during the period | As at September 30, 2024 | | | Total investments of the sub-fund | Net assets of the sub-fund |
| | | | | | ---- (Rupees in '000) ---- | | ----- % ----- | | |
| Soneri Bank Limited | 26-Dec-32 | 200 | - | - | 200 | 19,988 | 19,814 | 3.75 | 2.07 |
| Lucky Electric Power Company Limited | 13-Dec-23 | 25 | - | 25 | - | - | - | - | - |
| TPL Trakker Limited | 30-Mar-26 | 4 | - | - | 4 | 1,556 | 1,579 | 0.30 | 0.17 |
| Askari Bank Limited | 17-Mar-30 | 30 | - | - | 30 | 28,650 | 29,850 | 5.65 | 3.12 |
| Total as at September 30, 2024 | | 259 | - | 25 | 234 | 50,194 | 51,243 | 9.70 | 5.36 |
| Total as at June 30, 2024 | | 4,662 | 55 | 4,458 | 259 | 75,006 | 76,475 | | |

5.3.2 Held by Money Market Sub-Fund

| Name of the investee company | Maturity Date | Number of certificates | | | | Carrying Value as at September 30, 2024 | Market value as at September 30, 2024 | Market value as a percentage of | |
|---------------------------------------|---------------|------------------------|-----------------------------|-----------------------------------|----------------------------|---|---------------------------------------|-----------------------------------|----------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / Matured during the period | As at September 30, 2024 | | | Total investments of the sub-fund | Net assets of the sub-fund |
| | | | | | ---- (Rupees in '000) ---- | | ----- % ----- | | |
| Lucky Electric Power Company Limited | 9-Aug-23 | 90 | - | 90 | - | - | - | - | - |
| K-Electric Limited | 24-Mar-25 | - | 100 | - | 100 | 100,000 | 100,000 | 10.45 | 8.94 |
| Pakistan Telecommunication | 18-Mar-25 | - | 28 | - | 28 | 28,000 | 28,000 | 2.93 | 2.50 |
| Total as at September 30, 2024 | | 90 | 128 | 90 | 128 | 128,000 | 128,000 | 13.38 | 11.44 |
| Total as at June 30, 2024 | | 93 | 124 | 127 | 90 | 90,000 | 90,000 | | |

6. ACCRUED EXPENSES AND OTHER LIABILITIES

| Note | September 30, 2024 (Un-audited) | | | | June 30, 2024 (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) ----- | | | | | | | | |
| Auditors' remuneration | 88 | 132 | 179 | 399 | 66 | 108 | 156 | 330 |
| Payable against redemption of units | 766 | 315 | - | 1,081 | 217 | - | 2,146 | 2,363 |
| Payable to National Clearing Company of Pakistan | - | - | - | - | 40 | - | - | 40 |
| Payable to Asset Management Company | 2,500 | - | - | 2,500 | 2,500 | - | - | 2,500 |
| Federal Excise Duty | 6.1 | 763 | 878 | 835 | 763 | 878 | 835 | 2,476 |
| Other payable | 415 | 888 | 2,789 | 4,092 | 31 | 51 | 23 | 105 |
| | 4,532 | 2,213 | 3,803 | 10,548 | 3,617 | 1,037 | 3,160 | 7,814 |

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2024, and the appeal filed by tax authorities against the order passed by Honourable Supreme Court of Pakistan dated July 16, 2016, is pending for decision.

The Honorable Sindh High Court (SHC) through its recent order dated 2 June 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution from 01 July 2011. However, the declaration made by the Honorable Court, as directed, will have affect in the manner prescribed in the judgment. The Sindh High Court in its decision dated 16 July 2016 in respect of constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

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

In view of above, the Management Company, as a matter of abundant caution, is carrying provision for FED for the period from January 13, 2013 to June 30, 2016 aggregating to Rs. 0.763 million, 0.878 million and 0.836 million (June 30, 2024: 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, 2024 would have been higher by Rs. 4.05, Rs. 0.34 and Rs. 0.23 (June 30, 2024: Rs. 4.05, Rs. 0.33 and Rs. 0.24) 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.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2024.

8. TAXATION

No provision for taxation for the period ended September 30, 2024, 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, 2024 | | | | Three months ended ended September 30, 2023 | | | |
|---|---|---------------|-----------------------|---------|---|---------------|-----------------------|---------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | ------(Rupees in '000)----- | | | | | | | |
| HBL Asset Management Limited - Pension Fund Manager | | | | | | | | |
| 9.1.1 | | | | | | | | |
| Management fee | 309 | 2,109 | 2,653 | 5,071 | 241 | 1,035 | 1,975 | 3,251 |
| Sales Tax on Management fee | 40 | 274 | 345 | 659 | 31 | 134 | 257 | 422 |
| Allocation of Expenses | - | 468 | 588 | 1,056 | - | 356 | 681 | 1,037 |
| Habib Bank Limited - Sponsor | | | | | | | | |
| Profit on bank deposits earned | 140 | 3,754 | 6,216 | 10,110 | 31 | 48 | 540 | 619 |
| Purchase of Treasury Bills | - | - | 404,600 | 404,600 | - | - | 527,791 | 527,791 |
| Sale of Treasury Bills | - | 400,000 | 150,000 | 550,000 | - | - | 263,046 | 263,046 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Remuneration | 38 | 273 | 343 | 654 | 24 | 150 | 285 | 459 |
| Sales Tax on Trustee fee | 5 | 35 | 45 | 85 | 3 | 19 | 37 | 59 |

| | | Three months ended ended September 30, 2024 | | | | Three months ended ended September 30, 2023 | | | |
|--|--------|---|------------------|-----------------------------|---------|---|------------------|-----------------------------|--------|
| | | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| ------(Rupees in '000)----- | | | | | | | | | |
| Directors and their relatives | | | | | | | | | |
| Reallocation of units | Units | (560) | 459 | (223) | (324) | - | - | - | - |
| Amount of reallocated | Amount | (186) | 253 | (67) | - | - | - | - | - |
| Redemption of units | Units | - | - | - | - | 23 | 94 | 281 | 398 |
| Amount of units Redeemed | Amount | - | - | - | - | 7 | 27 | 71 | 105 |
| Executives and their relatives | | | | | | | | | |
| Issuance of units | Units | - | - | - | - | - | - | 13,888 | 13,888 |
| Amount of Issuance | Amount | - | - | - | - | - | - | 3,441 | 3,441 |
| Reallocation of units | Units | 4 | - | (6) | (2) | - | - | - | - |
| Amount of reallocated | Amount | 2 | - | (2) | - | - | - | - | - |
| HBL Money Market Fund | | | | | | | | | |
| Sale of Treasury Bills | | - | 50,000 | 160,000 | 210,000 | - | - | 72,573 | 72,573 |
| HBL Financial Sector Income Fund Plan I | | | | | | | | | |
| Purchase of Treasury Bills | | - | - | 9,000 | 9,000 | - | 77,391 | - | 77,391 |
| HBL GSF | | | | | | | | | |
| Sale of Treasury Bills | | - | 10,000 | - | 10,000 | - | - | - | - |

9.2 Balances outstanding as at period end

| | | September 30, 2024 (Un-audited) | | | | June 30, 2024 (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)----- | | | | | | | | | |
| HBL Asset Management Limited - Pension Fund Manager | | | | | | | | | |
| | 9.2.1 | | | | | | | | |
| Management fee payable | | 79 | 768 | 981 | 1,828 | 103 | 778 | 946 | 1,827 |
| Sindh Sales Tax payable | | 12 | 115 | 147 | 274 | 12 | 101 | 123 | 236 |
| Allocated Expenses payable | | - | 83 | 166 | 249 | - | - | - | - |
| Other payable | | 2,500 | - | - | 2,500 | 2,500 | - | - | 2,500 |
| Habib Bank Limited - Sponsor | | | | | | | | | |
| Balance in savings account | | 941 | 19,448 | 68,922 | 89,311 | 2,741 | 397,674 | 568,958 | 969,373 |
| Directors and their relatives | | | | | | | | | |
| Units held | Units | 17,983 | 51,380 | 38,330 | 107,693 | 18,543 | 50,921 | 38,553 | 108,017 |
| Amount of units held | Amount | 9,350 | 18,951 | 11,905 | 40,206 | 9,594 | 17,342 | 11,413 | 38,349 |
| Executives and their relatives | | | | | | | | | |
| Units held | Units | 4 | - | 107,978 | 107,982 | - | - | 107,984 | 107,984 |
| Amount of units held | Amount | 2 | - | 33,538 | 33,540 | - | - | 31,966 | 31,966 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | | |
| Remuneration payable | | 10 | 88 | 112 | 210 | 15 | 101 | 122 | 238 |
| Sindh Sales Tax payable | | 1 | 13 | 17 | 31 | 2 | 15 | 18 | 35 |
| Security deposit | | 100 | 100 | 100 | 300 | 100 | 100 | 100 | 300 |
| Directors of Connected Persons | | | | | | | | | |
| Units held | Units | 1,727 | 1,514 | 138,659 | 141,900 | 1,727 | 1,514 | 138,659 | 141,900 |
| Amount of units held | Amount | 898 | 558 | 43,068 | 44,524 | 894 | 516 | 41,046 | 42,456 |

10 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

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

| | | September 30, 2024 | | | | | | |
|---|------------------------------------|--------------------|-----------------------------------|----------|------------------|---------------|------------------|------------------|
| | | Carrying Amount | | | Fair Value | | | |
| | Fair Value through profit and loss | At Amortized Cost | Other Financial asset/Liabilities | Total | Level 1 | Level 2 | Total | |
| Note | (Rupees in '000) | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| Investments | | | | | | | | |
| Listed equity securities | 5.1 | 93,970 | - | - | 93,970 | 93,970 | - | 93,970 |
| Government Securities | 5.2 | | | | | | | |
| - Market Treasury Bills | | 928,715 | - | - | 928,715 | | 928,715 | 928,715 |
| - Pakistan Investment Bonds | | 376,938 | - | - | 376,938 | | 376,938 | 376,938 |
| - GOP Ijarah Sukuk | | - | - | - | - | | - | - |
| Term Finance Certificates and Sukuks | 5.3 | 179,243 | - | - | 179,243 | | 179,243 | 179,243 |
| | | <u>1,578,866</u> | <u>-</u> | <u>-</u> | <u>1,578,866</u> | <u>93,970</u> | <u>1,484,896</u> | <u>1,578,866</u> |
| Financial assets not measured at fair value | | | | | | | | |
| Bank balances | 4 | - | 564,231 | - | 564,231 | - | - | - |
| Dividend receivable and accrued mark-up | | - | 40,807 | - | 40,807 | - | - | - |
| Advances, deposits, prepayments and other receivables | | - | 3,449 | - | 3,449 | - | - | - |
| | | <u>-</u> | <u>608,487</u> | <u>-</u> | <u>608,487</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| September 30, 2024 | | | | | | | |
|---|------------------------------------|-----------------------|-----------------------------------|------------|---------|---------|-----------|
| Carrying Amount | | | | Fair Value | | | |
| | Fair Value through profit and loss | Loans and receivables | Other Financial asset/Liabilities | Total | Level 1 | Level 2 | Total |
| Note | ----- (Rupees in '000) ----- | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | |
| Payable to the Pension Fund Manager | - | - | 2,102 | 2,102 | - | - | - |
| Payable to the Trustee | - | - | 241 | 241 | - | - | - |
| Payable to the Securities and Exchange Commission of Pakistan | - | - | 206 | 206 | - | - | - |
| Accrued expenses and other liabilities | 6 | - | 10,548 | 10,548 | - | - | - |
| Participants' Sub Funds | - | - | 2,172,147 | 2,172,147 | - | - | - |
| | - | - | 2,185,244 | 2,185,244 | - | - | - |
| June 30, 2024 | | | | | | | |
| Carrying Amount | | | | Fair Value | | | |
| | Fair Value through profit and loss | At Ammortized 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 | 5.1 | 94,743 | - | 94,743 | 94,743 | - | 94,743 |
| Government Securities | 5.2 | | | | | | |
| - Market Treasury Bills | | 439,188 | - | 439,188 | - | 439,188 | 439,188 |
| - Pakistan Investment Bonds | | 342,182 | - | 342,182 | - | 342,182 | 342,182 |
| - GOP Ijarah Sukuk | | - | - | - | - | - | - |
| Term Finance Certificates and Sukuks | 5.3 | 166,475 | - | 166,475 | - | 166,475 | 166,475 |
| | | 1,042,588 | - | 1,042,588 | 94,743 | 947,845 | 1,042,588 |
| Financial assets not measured at fair value | | | | | | | |
| Bank balances | 4 | - | 977,084 | 977,084 | - | - | - |
| - Dividend Receivables and accrued markup | | - | 33,663 | 33,663 | - | - | - |
| Advances, deposits, prepayments and other receivables | | - | 3,567 | 3,567 | - | - | - |
| | | - | 1,014,314 | 1,014,314 | - | - | - |
| June 30, 2024 | | | | | | | |
| Carrying Amount | | | | Fair Value | | | |
| | Fair Value through profit and loss | At amortized Cost | Other Financial asset/Liabilities | Total | Level 1 | Level 2 | Total |
| Note | ----- (Rupees in '000) ----- | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | |
| Payable to the Pension Fund Manager | - | - | 2,063 | 2,063 | - | - | - |
| Payable to the Trustee | - | - | 238 | 238 | - | - | - |
| Payable to the Securities and Exchange Commission of Pakistan | - | - | 595 | 595 | - | - | - |
| Accrued expenses and other liabilities | 6 | - | 7,814 | 7,814 | - | - | - |
| Participants' Sub Funds | - | - | 2,047,304 | 2,047,304 | - | - | - |
| | - | - | 2,058,014 | 2,058,014 | - | - | - |

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

11. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on October 24,2024

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Pension Fund

FUND INFORMATION

| | |
|-------------------------|---|
| Name of Fund | HBL Islamic Pension Fund |
| Name of Auditor | BDO Ebrahim & Co. |
| Name of Trustee | Central Depository Company of Pakistan Limited |
| Name of Shariah Advisor | Al-Hilal Shariah Advisor |
| Bankers | Habib Bank Limited Faysal Bank Limited Bank Islami Pakistan Limited Soneri Bank Limited Bank Al Habib Limited Meezan Bank Limited Dubai Islamic Bank Allied Bank Limited Habib Metropolitan Bank Limited United Bank Limited Bank Alfalah Limited Al Baraka Bank Limited |

HBL Islamic Pension Fund

Condensed Interim Statement of Assets and Liabilities

AS AT SEPTEMBER 30, 2024

| | September 30, 2024 (Un-Audited) | | | | June 30, 2024 (Audited) | | | | |
|---|---------------------------------|-----------------|-----------------------|------------------|-------------------------|-----------------|-----------------------|------------------|------------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| | (Rupees in '000) | | | | | | | | |
| ASSETS | | | | | | | | | |
| Bank balances | 4 | 3,437 | 137,170 | 186,303 | 326,910 | 5,126 | 178,082 | 455,530 | 638,738 |
| Investments - net | 5 | 150,139 | 249,440 | 554,866 | 954,445 | 163,874 | 184,587 | 183,258 | 531,719 |
| Dividend receivable and accrued mark-up | | 1,518 | 18,151 | 28,553 | 48,222 | 109 | 5,527 | 12,360 | 17,996 |
| Advances, deposits, prepayments and other receivables | | 2,607 | 412 | 443 | 3,462 | 2,735 | 461 | 454 | 3,650 |
| Total assets | | 157,701 | 405,173 | 770,165 | 1,333,039 | 171,844 | 368,657 | 651,602 | 1,192,103 |
| LIABILITIES | | | | | | | | | |
| Payable to HBL Asset Management Limited - Pension Fund Manager | | 144 | 258 | 505 | 907 | 149 | 237 | 408 | 794 |
| Payable to the Central Depository Company of Pakistan Limited - Trustee | | 20 | 51 | 100 | 171 | 21 | 47 | 82 | 150 |
| Payable to the Securities and Exchange Commission of Pakistan | | 16 | 39 | 73 | 128 | 44 | 121 | 160 | 325 |
| Accrued expenses and other liabilities | 6 | 5,733 | 2,131 | 2,655 | 10,579 | 5,434 | 1,835 | 1,618 | 8,887 |
| Total liabilities | | 5,913 | 2,479 | 3,333 | 11,785 | 5,648 | 2,240 | 2,268 | 10,156 |
| NET ASSETS | | 151,788 | 402,694 | 766,832 | 1,321,254 | 166,196 | 366,417 | 649,334 | 1,181,947 |
| PARTICIPANTS' SUB-FUNDS (as per statement attached) | | 151,788 | 402,694 | 766,832 | 1,321,254 | 166,196 | 366,417 | 649,334 | 1,181,947 |
| Contingencies and commitments | 7 | | | | | | | | |
| Number of units in issue | | 267,564 | 1,425,322 | 2,808,066 | 4,500,952 | 295,280 | 1,369,573 | 2,499,200 | |
| Net asset value per unit | | 567.2946 | 282.5283 | 273.0820 | | 562.8396 | 267.5406 | 259.8251 | |

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Income Statement & Statement of Comprehensive Income(Un-audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| Note | Three months ended September 30, 2024 | | | | Three months ended September 30, 2023 | | | |
|---|---------------------------------------|---------------|-----------------------|---------------|---------------------------------------|---------------|-----------------------|---------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Income | | | | | | | | |
| Dividend income | 5,035 | - | - | 5,035 | 544 | - | - | 544 |
| Profit on bank deposits | 58 | 6,997 | 9,685 | 16,740 | 2 | 5,170 | 3,859 | 9,031 |
| Mark-up / return on investments | - | 9,309 | 21,838 | 31,147 | - | 9,264 | 13,022 | 22,286 |
| Net gain / (loss) on sale of investments | 8,329 | - | - | 8,329 | 7,005 | 25 | 10 | 7,040 |
| | 13,422 | 16,306 | 31,523 | 61,251 | 7,551 | 14,459 | 16,891 | 38,901 |
| Net unrealised gain / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' | (10,697) | 6,182 | 6,993 | 2,478 | 4,456 | 1,353 | 2,262 | 8,071 |
| | 2,725 | 22,488 | 38,516 | 63,729 | 12,007 | 15,812 | 19,153 | 46,972 |
| Expenses | | | | | | | | |
| Remuneration of HBL Asset Management Limited - Pension Fund Manager | 447 | 665 | 1,255 | 2,367 | 367 | 739 | 848 | 1,954 |
| Remuneration of Central Depository Company of Pakistan Limited - Trustee | 62 | 157 | 291 | 510 | 37 | 118 | 136 | 291 |
| Annual fee to the Securities and Exchange Commission of Pakistan | 16 | 39 | 73 | 128 | 9 | 28 | 32 | 69 |
| Allocated Expenses | - | 171 | 311 | 482 | - | 240 | 274 | 514 |
| Auditors' remuneration | 21 | 21 | 23 | 65 | 14 | 36 | 36 | 86 |
| Provision of Debt Securities | - | 60 | - | 60 | - | - | - | - |
| Settlement and bank charges | 265 | 24 | 11 | 300 | 729 | 9 | 9 | 747 |
| | 811 | 1,137 | 1,964 | 3,912 | 1,156 | 1,170 | 1,335 | 3,661 |
| Net income / (loss) from operating activities | 1,914 | 21,351 | 36,552 | 59,817 | 10,851 | 14,642 | 17,818 | 43,311 |
| Taxation | - | - | - | - | - | - | - | - |
| Net income / (loss) for the period after taxation | 1,914 | 21,351 | 36,552 | 59,817 | 10,851 | 14,642 | 17,818 | 43,311 |
| Other comprehensive income for the period | - | - | - | - | - | - | - | - |
| Total comprehensive income / (loss) for the period | 1,914 | 21,351 | 36,552 | 59,817 | 10,851 | 14,642 | 17,818 | 43,311 |

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

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Statement Of Movement In Participants' Sub Funds (Un-audited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| | Three months ended September 30, 2024 | | | | Three months ended September 30, 2023 | | | |
|---|---------------------------------------|---------------|-----------------------|-------------|---------------------------------------|---------------|-----------------------|----------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | ----- (Rupees in '000) ----- | | | | | | | |
| Net assets at beginning of the period | 166,196 | 366,417 | 649,334 | 1,181,947 | 85,560 | 263,987 | 291,770 | 641,317 |
| Amount received on issuance of units | 180,784 | 452,783 | 865,189 | 1,498,756 | 9,335 | 35,535 | 58,879 | 103,749 |
| Amount paid on redemption of units | (197,106) | (437,857) | (784,243) | (1,419,206) | (28,300) | (28,755) | (16,888) | (73,943) |
| Net income / (loss) for the period | 1,914 | 21,351 | 36,552 | 59,817 | 10,851 | 14,642 | 17,818 | 43,311 |
| Total comprehensive income for the period | 1,914 | 21,351 | 36,552 | 59,817 | 10,851 | 14,642 | 17,818 | 43,311 |
| Net assets at end of the period | 151,788 | 402,694 | 766,832 | 1,321,314 | 77,446 | 285,409 | 351,579 | 714,434 |

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Condensed Interim Cash Flow Statement (Un-audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| | Three months ended September 30, 2024 | | | | Three months ended September 30, 2023 | | | |
|---|---------------------------------------|-----------------|-----------------------|------------------|---------------------------------------|-----------------|-----------------------|-----------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| ------(Rupees in '000)----- | | | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Net income for the period before taxation | 1,914 | 21,351 | 36,552 | 59,817 | 10,851 | 14,642 | 17,818 | 43,311 |
| (Increase) / decrease in assets | | | | | | | | |
| Investments - net | 13,735 | (64,853) | (371,608) | (422,726) | (393) | (41,440) | (84,792) | (126,625) |
| Dividend and profit receivale | (1,409) | (12,624) | (16,193) | (30,226) | 75 | (10,162) | (22,371) | (32,458) |
| Advances, deposits, prepayments and other receivables | 128 | 49 | 11 | 188 | 2,557 | - | - | 2,557 |
| | 12,454 | (77,428) | (387,790) | (452,764) | 2,239 | (51,602) | (107,163) | (156,526) |
| Increase / (decrease) in liabilities | | | | | | | | |
| Payable to HBL Asset Management Limited - Pension Fund Manager | (5) | 21 | 97 | 113 | 2,487 | (92) | (87) | 2,308 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | (1) | 4 | 18 | 21 | (1) | 7 | 12 | 18 |
| Payable to Securities and Exchange Commission of Pakistan | (28) | (82) | (87) | (197) | (25) | (39) | (29) | (93) |
| Accrued expenses and other liabilities | 299 | 296 | 1,037 | 1,632 | 1,560 | 26,390 | 14,705 | 42,655 |
| | 265 | 239 | 1,065 | 1,569 | 4,021 | 26,266 | 14,601 | 44,888 |
| Net cash (used in) / generated from operating activities | 14,633 | (55,838) | (350,173) | (391,378) | 17,111 | (10,694) | (74,744) | (68,327) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Amount received on issue of units | 180,784 | 452,783 | 865,189 | 1,498,756 | 9,335 | 35,535 | 58,879 | 103,749 |
| Amount paid on redemption of units | (197,106) | (437,857) | (784,243) | (1,419,206) | (28,300) | (28,755) | (16,888) | (73,943) |
| Net cash generated from / (used in) financing activities | (16,322) | 14,926 | 80,946 | 79,550 | (18,965) | 6,780 | 41,991 | 29,806 |
| Net increase / (decrease) in cash and cash equivalents | (1,689) | (40,912) | (269,227) | (311,828) | (1,854) | (3,914) | (32,753) | (38,521) |
| Cash and cash equivalents at beginning of the period | 5,126 | 178,082 | 455,530 | 638,738 | 5,752 | 115,934 | 93,778 | 215,464 |
| Cash and cash equivalents at end of the period | 3,437 | 137,170 | 186,303 | 326,910 | 3,898 | 112,020 | 61,025 | 176,943 |

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

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.

VIS Credit Rating Agency has assigned management quality rating of 'AM1' (Stable Outlook) to the Pension Fund Manager while the Fund is currently not rated.

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

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, 2024.

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, 2024.

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, 2024."

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, 2024. 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, 2024.

4. BANK BALANCES

| | September 30, 2024 (Un-audited) | | | | June 30, 2024 (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) ----- | | | | | | | | |
| Savings accounts | 4.1 | 3,437 | 137,170 | 186,303 | 326,910 | 5,126 | 178,082 | 455,530 | 638,738 |
| | | 3,437 | 137,170 | 186,303 | 326,910 | 5,126 | 178,082 | 455,530 | 638,738 |

4.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 5% to 18.50% per annum (June 30, 2024: 5% - 21.35% per annum).

5. INVESTMENTS

| | September 30, 2024 (Un-audited) | | | | June 30, 2024 (Audited) | | | | |
|---|--|----------------|-----------------------|----------------|-------------------------|----------------|-----------------------|----------------|----------------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| At fair value through profit or loss | Note ----- (Rupees in '000) ----- | | | | | | | | |
| Listed equity securities | 5.1 | 150,139 | - | - | 150,139 | 163,874 | - | - | 163,874 |
| GoP Ijarah Sukuks | 5.2 | - | 193,568 | 466,866 | 660,434 | - | 183,590 | 123,258 | 306,848 |
| Sukuk certificates | 5.3 | - | 55,872 | 88,000 | 143,872 | - | 997 | 60,000 | 60,997 |
| | | 150,139 | 249,440 | 554,866 | 954,445 | 163,874 | 184,587 | 183,258 | 531,719 |

5.1 Listed equity securities

Held by Equity Sub-Fund

Name of the Investee Company

| | As at July 1, 2024 | Purchases during the period | Bonus / Rights issue | Sales during the period | As at Sep 30, 2024 | Market value as at Sep 30, 2024 | 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----- | | | | | -----% | | | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | |
| Ghandhara Industries Limited | - | 1,250 | 1,800 | - | 3,050 | 979 | 0.65 | 0.64 | 0.02 |
| Al Ghazi Tractors Limited | 4,370 | - | - | - | 4,370 | 1,673 | 1.11 | 1.10 | 0.05 |
| | 4,370 | 1,250 | 1,800 | - | 7,420 | 2,652 | 1.76 | 1.74 | |
| AUTOMOBILE PARTS & ACCESSORIES | | | | | | | | | |
| Baluchistan Wheels Limited | 22,500 | - | - | 300 | 22,200 | 2,341 | 1.56 | 1.54 | 1.25 |
| Atlas Battery Limited | 2,000 | 850 | - | 500 | 2,350 | 795 | 0.53 | 0.52 | 0.02 |
| Exide Pakistan Limited | 2,900 | - | - | 1,144 | 1,756 | 1,546 | 1.03 | 1.02 | 0.29 |
| | 27,400 | 850 | - | 1,944 | 26,306 | 4,682 | 3.12 | 3.08 | |
| CEMENT | | | | | | | | | |
| Lucky Cement Limited | - | 8,250 | - | - | 8,250 | 7,293 | 4.86 | 4.80 | - |
| D.G. Khan Cement Company Limited | 127,500 | 7,000 | - | 21,500 | 113,000 | 8,306 | 5.53 | 5.47 | 0.01 |
| Pioneer Cement Limited | 40,000 | - | - | - | 40,000 | 7,248 | 4.83 | 4.78 | 0.01 |
| Fauji Cement Company Limited | 470,000 | 27,500 | - | 81,000 | 416,500 | 10,529 | 7.01 | 6.94 | - |
| Flying Cement Limited | 181,000 | 33,000 | - | 75,000 | 139,000 | 2,445 | 1.63 | 1.61 | - |
| Maple Leaf Cement Factory Limited | 217,790 | 23,000 | - | - | 240,790 | 7,811 | 5.20 | 5.15 | - |
| | 1,036,290 | 98,750 | - | 177,500 | 957,540 | 43,632 | 29.06 | 28.75 | |

| Name of the Investee Company | As at July 1, 2024 | Purchases during the period | Bonus / Rights Issue | Sales during the period | As at Sep 30, 2024 | Market value as at Sep 30, 2024 | 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----- | | | | -----%----- | | | | |
| CHEMICAL | | | | | | | | | |
| Descon Oxychem Limited | - | 39,000 | - | - | 39,000 | 793 | 0.53 | 0.52 | 0.01 |
| Ittehad Chemicals Limited | 21,500 | - | - | - | 21,500 | 936 | 0.62 | 0.62 | 0.02 |
| Biafo Industries Limited | - | 2,800 | - | - | 2,800 | 324 | 0.22 | 0.21 | 0.01 |
| | 21,500 | 41,800 | - | - | 63,300 | 2,053 | 1.37 | 1.35 | |
| COMMERCIAL BANKS | | | | | | | | | |
| Bank Islami Pakistan Limited | 87,701 | - | - | 87,701 | - | - | - | - | - |
| Meezan Bank Limited | 5,700 | - | - | 5,700 | - | - | - | - | - |
| | 93,401 | - | - | 93,401 | - | - | - | - | - |
| ENGINEERING | | | | | | | | | |
| International Steels Limited | 18,000 | 2,600 | - | - | 20,600 | 1,292 | 0.86 | 0.85 | 0.11 |
| Agha Steel Industries Limited | 36,000 | - | - | 36,000 | - | - | - | - | - |
| Aisha Steel Limited | 48,000 | 112,000 | - | 51,000 | 109,000 | 687 | 0.46 | 0.45 | 0.13 |
| Mughal Iron and Steel Industries Limited** | 27,100 | 3,500 | - | 12,000 | 18,600 | 1,441 | 0.96 | 0.95 | 0.17 |
| | 129,100 | 118,100 | - | 99,000 | 148,200 | 3,420 | 2.28 | 2.25 | |
| FERTILIZER | | | | | | | | | |
| Fauji Fertilizer Bin Qasim Limited | 63,500 | - | - | 29,000 | 34,500 | 1,729 | 1.15 | 1.14 | 0.02 |
| Engro Fertilizers Limited | 8,705 | - | - | 8,705 | - | - | - | - | - |
| | 72,205 | - | - | 37,705 | 34,500 | 1,729 | 1.15 | 1.14 | |
| OIL AND GAS EXPLORATION COMPANIES | | | | | | | | | |
| Oil and Gas Development Company Limited** | 106,000 | 45,500 | - | 50,500 | 101,000 | 14,486 | 9.65 | 9.54 | 0.01 |
| Mari Petroleum Company Limited*** | 733 | 2,526 | 26,072 | 2,500 | 26,831 | 11,418 | 7.60 | 7.52 | 0.02 |
| Pakistan Petroleum Limited** | 508,000 | - | - | 411,700 | 96,300 | 10,287 | 6.85 | 6.78 | 0.01 |
| | 614,733 | 48,026 | 26,072 | 464,700 | 224,131 | 36,191 | 24.10 | 23.84 | |
| OIL AND GAS MARKETING COMPANIES | | | | | | | | | |
| Pakistan State Oil Company Limited**/** | 62,837 | - | - | 8,800 | 54,037 | 8,716 | 5.81 | 5.74 | 0.25 |
| Sui Northern Gas Pipelines Limited** | 173,700 | - | - | 31,000 | 142,700 | 9,096 | 6.06 | 5.99 | 0.35 |
| | 236,537 | - | - | 39,800 | 196,737 | 17,812 | 11.87 | 11.73 | |
| MISCELLANEOUS | | | | | | | | | |
| TPL Properties Limited | 57,500 | - | - | 57,500 | - | - | - | - | - |
| Thatta Cement Company Limited | - | 38,000 | - | - | 38,000 | 3,149 | 2.10 | 2.07 | 0.04 |
| Pakistan Hotels Developers | - | 4,000 | - | - | 4,000 | 221 | 0.15 | 0.15 | 0.12 |
| | 57,500 | 42,000 | - | 57,500 | 42,000 | 3,370 | 2.25 | 2.22 | |
| PHARMACEUTICALS | | | | | | | | | |
| AGP Limited | 8,025 | 21,699 | - | - | 29,724 | 3,292 | 2.19 | 2.17 | 0.38 |
| Ferozsons Laboratories Limited | 11,500 | 1,500 | - | 3,740 | 9,260 | 2,689 | 1.79 | 1.77 | 4.90 |
| Abbot Laboratories Pakistan Limited | 2,800 | - | - | - | 2,800 | 2,143 | 1.43 | 1.41 | 0.29 |
| The Searle Company Limited*** | 51,558 | - | - | 31,000 | 20,558 | 1,171 | 0.78 | 0.77 | 0.08 |
| Highnoon Laboratories Limited*** | 2,395 | - | - | - | 2,395 | 1,643 | 1.09 | 1.08 | 0.85 |
| | 76,278 | 23,199 | - | 34,740 | 64,737 | 10,938 | 7.28 | 7.20 | |
| POWER GENERATION AND DISTRIBUTION | | | | | | | | | |
| K Electric Limited | 602,500 | - | - | 112,000 | 490,500 | 1,844 | 1.23 | 1.21 | 0.01 |
| Hub Power Company Limited | 51,558 | 70,242 | - | 42,000 | 79,800 | 9,523 | 6.34 | 6.27 | 0.05 |
| | 654,058 | 70,242 | - | 154,000 | 570,300 | 11,367 | 7.57 | 7.48 | |
| REFINERY | | | | | | | | | |
| Attock Refinery Limited | 6,440 | - | - | 6,440 | - | - | - | - | - |
| National Refinery Limited | 4,795 | - | - | 4,795 | - | - | - | - | - |
| | 11,235 | - | - | 11,235 | - | - | - | - | - |
| TECHNOLOGY & COMMUNICATION | | | | | | | | | |
| Systems Limited | 6,548 | - | - | 1,000 | 5,548 | 2,252 | 1.50 | 1.48 | 0.07 |
| Air Link Communication | - | 12,500 | - | 2,000 | 10,500 | 1,367 | 0.91 | 0.90 | 0.07 |
| TPL Trakker Limited | 296,500 | - | - | 123,601 | 172,899 | 1,513 | 1.01 | 1.00 | 0.05 |
| | 303,048 | 12,500 | - | 126,601 | 188,947 | 5,132 | 3.42 | 3.38 | |
| AUTOMOBILE ASSEMBLER | | | | | | | | | |
| Sazgar Engineering Works Limited | 980 | - | - | 200 | 780 | 751 | 0.50 | 0.49 | 0.21 |
| Honda Atlas Cars Pakistan Limited | 14,500 | - | - | 2,450 | 12,050 | 3,016 | 2.01 | 1.99 | 0.59 |
| | 15,480 | - | - | 2,650 | 12,830 | 3,767 | 2.51 | 2.48 | |
| GLASS AND CERAMICS | | | | | | | | | |
| Tariq Glass Industries Limited | 27,118 | - | - | 3,500 | 23,618 | 2,633 | 1.75 | 1.73 | 0.80 |
| | 27,118 | - | - | 3,500 | 23,618 | 2,633 | 1.75 | 1.73 | |
| PAPER, BOARD & PACKAGING | | | | | | | | | |
| Century Paper and Board Limited | 46,000 | 13,500 | - | 29,000 | 30,500 | 761 | 0.51 | 0.50 | 0.19 |
| | 46,000 | 13,500 | - | 29,000 | 30,500 | 761 | 0.51 | 0.50 | |
| Total as at September 30, 2024 | 3,426,253 | 470,217 | 27,872 | 1,333,276 | 2,591,066 | 150,139 | 100.00 | 98.87 | |
| Carrying Value as at September 30, 2024 | | | | | | 160,836 | | | |
| Total as at June 30, 2024 | | | | | | 163,874 | | | |

** Investments include shares having market value Rs. 27.656 million, (June 30, 2024: 28.058 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. 2.283 million at September 30, 2024 (June 30, 2024: 0.065 million) and not yet deposited on CDC account of department of Income tax. Pension Fund Manager is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in Fund's investments at period end.

5.2 GoP Ijarah Sukuks - At fair value through profit or loss

5.2.1 Held by Debt Sub-Fund

| Issue Date | Tenor | Face value | | | | Carrying Value as at Sep 30, 2024 | Market value as at Sep 30, 2024 | Market value as a percentage of | |
|---------------------------------------|---------|--------------------------------------|-----------------------------|-----------------------------------|--------------------|-----------------------------------|---------------------------------|---------------------------------|-------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at Sep 30, 2024 | | | Total investments of sub-fund | Net assets of sub-funds |
| | | ----- (Number of certificates) ----- | | | | ---- (Rupees in '000) --- | | ----- (%) ----- | |
| December 4, 2023 | 3 Years | 105,000 | - | - | 105,000 | 105,116 | 110,219 | 44.19 | 27.37 |
| January 24, 2024 | 1 Year | 14,665 | - | - | 14,665 | 13,384 | 13,960 | 5.60 | 3.47 |
| April 26, 2024 | 1 Year | 75,000 | - | - | 75,000 | 68,886 | 69,389 | 27.82 | 17.23 |
| Total as at September 30, 2024 | | 194,665 | - | - | 194,665 | 187,386 | 193,568 | 77.61 | 48.07 |
| Total as at June 30, 2024 | | | 577,415 | 482,750 | 194,665 | 183,009 | 183,590 | | |

5.2.2 Held by Money Market Sub Fund

| Name of the Investee Company | Tenor | Face value | | | | Carrying Value as at Sep 30, 2024 | Market value as at Sep 30, 2024 | Market value as a percentage of | |
|---------------------------------------|---------|--------------------------------------|-----------------------------|-----------------------------------|--------------------|-----------------------------------|---------------------------------|---------------------------------|-------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at Sep 30, 2024 | | | Total investments of sub-fund | Net assets of sub-funds |
| | | ----- (Number of certificates) ----- | | | | ---- (Rupees in '000) --- | | ----- (%) ----- | |
| December 4, 2023 | 3 Years | 25,000 | - | - | 25,000 | 25,028 | 26,243 | 4.73 | 3.42 |
| January 24, 2024 | 1 Year | 18,495 | - | - | 18,495 | 16,828 | 17,229 | 3.11 | 2.25 |
| April 26, 2024 | 1 Year | 93,750 | - | - | 93,750 | 81,776 | 86,334 | 15.56 | 11.26 |
| April 30, 2024 | 1 Year | - | 910 | - | 910 | 90,445 | 91,127 | 16.42 | 11.88 |
| July 25, 2024 | 1 Year | - | 55 | - | 55 | 245,796 | 245,933 | 44.32 | 32.07 |
| Total as at September 30, 2024 | | 137,245 | 965 | - | 138,210 | 459,873 | 466,866 | 84.14 | 60.88 |
| Total as at June 30, 2024 | | | 351,000 | 206,000 | 145,000 | | | | |

5.3 Sukuk Certificates - At fair value through profit or loss

5.3.1 Held by Debt Sub-Fund

| Name of the Investee Company | Maturity Date | Face value | | | | Carrying Value as at Sep 30, 2024 | Market value as at Sep 30, 2024 | Market value as a percentage of | |
|--|---------------|--------------------------------------|-----------------------------|-----------------------------------|--------------------|-----------------------------------|---------------------------------|---------------------------------|-------------------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at Sep 30, 2024 | | | Total investments of sub-fund | Net assets of sub-funds |
| | | ----- (Number of certificates) ----- | | | | ---- (Rupees in '000) --- | | ----- (%) ----- | |
| K Electric Limited | 6-Feb-25 | - | 20 | - | 20 | 20,000 | 20,000 | 8.02 | 4.97 |
| TPL Trakker Limited | 30-Mar-26 | 1 | - | - | 1 | 396 | 396 | 0.16 | 0.10 |
| Agha Steel Industries Limited (Note 5.3.1.1) (Disclosure for provision) | 20-Jul-30 | 1 | - | - | 1 | 476 | 476 | 0.19 | 0.12 |
| Lucky Electric Power Company Limited | 14-Feb-25 | - | 20 | - | 20 | 20,000 | 20,000 | 8.02 | 4.97 |
| Pakistan Telecommunication | 18-Mar-25 | - | 15 | - | 15 | 15,000 | 15,000 | 6.01 | 3.72 |
| Total as at September 30, 2024 | | 2 | 55 | - | 57 | 55,872 | 55,872 | 22.40 | 13.88 |
| Total as at June 30, 2024 | | 109 | 7 | 114 | 2 | 987 | 997 | | |

5.3.1.1 This represents Provision made against non performing securities in accordance with the criteria specified in Circular No. 33 of 2012 dated October 24, 2012 issued by SECP.

| Name of Non Compliant Investment | Value of Investment | Provision Held (if any) | Value of Investment (after Provision) |
|----------------------------------|-----------------------------|-------------------------|---------------------------------------|
| | ----- (Rupees in '000) ---- | | |
| Agha Steel Industries Limited | 680 | 204 | 476 |

5.3.2 Held by Money Market Sub Fund

| Name of the Investee Company | Maturity Date | Face value | | | | Market value as a percentage of | | | |
|---------------------------------------|---------------|--------------------------------------|-----------------------------|-----------------------------------|--------------------|---------------------------------|---------------|-------------------------|--------------|
| | | As at July 1, 2024 | Purchases during the period | Sales / matured during the period | As at Sep 30, 2024 | Total investments of sub-fund | | Net assets of sub-funds | |
| | | ----- (Number of certificates) ----- | | | | ---- (Rupees in '000) -- | | ----- (%) ----- | |
| Pakistan Telecommunication | 18-Mar-25 | - | 55 | - | 55 | 55,000 | 55,000 | 9.91 | 7.17 |
| K Electric Limited | 6-Feb-25 | - | 33 | - | 33 | 33,000 | 33,000 | 5.95 | 4.30 |
| Lucky Electric Power Company Limited | 26-Sep-24 | 60 | - | 60 | - | - | - | - | - |
| Total as at September 30, 2024 | | 60 | 88 | 60 | 88 | 88,000 | 88,000 | 15.86 | 11.47 |
| Total as at June 30, 2024 | | 46 | 65 | 51 | 60 | 60,000 | 60,000 | | |

6. ACCRUED EXPENSES AND OTHER LIABILITIES

| Note | September 30, 2024 (Un-audited) | | | | June 30, 2024 (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) ----- | | | | | | | |
| Auditors' remuneration | 97 | 138 | 149 | 384 | 75 | 116 | 126 | 318 |
| Payable against purchase of investments | 127 | - | - | 127 | 1,380 | - | - | 1,380 |
| Federal Excise Duty | 6.1 | 880 | 488 | 383 | 1,751 | 880 | 488 | 383 |
| Payable against redemption of units | 1,589 | - | - | 1,589 | 159 | 1,034 | 999 | 2,192 |
| Other payable | 540 | 1,505 | 2,123 | 4,168 | 439 | 197 | 110 | 746 |
| Payable to Pension Fund Manager | 2,500 | - | - | 2,500 | 2,500 | - | - | 2,500 |
| | 5,733 | 2,131 | 2,655 | 10,519 | 5,433 | 1,835 | 1,618 | 8,887 |

6.1 PROVISION FOR FEDERAL EXCISE DUTY

The legal status of applicability of Federal Excise Duty on the Fund is same as that disclosed in note 12.1 to the annual audited financial statements of the Fund for the year ended June 30, 2024, 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.

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

The finance act 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision is charged during the period ended September 30, 2024.

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 (June 30, 2024: 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, 2024 would have been higher by Rs. 3.2889, Re 0.3424 and 0.1364 (June 30, 2024: Rs. 2.98, Re 0.36 & Re. 0.15) per unit respectively.

7. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at September 30, 2024.

8. TAXATION

No provision for taxation for the period ended September 30, 2024, 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, 2024 | | | | Three months ended September 30, 2023 | | | |
|---|---------------------------------------|---------------|-----------------------|-------|---------------------------------------|---------------|-----------------------|---------|
| | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees in '000) | | | | | | | |
| HBL Asset Management Limited - Pension Fund Manager | | | | | | | | |
| 9.1.1 | | | | | | | | |
| Management remuneration | 396 | 588 | 1,111 | 2,095 | 325 | 654 | 750 | 1,729 |
| Sales Tax on Management fee | 51 | 77 | 144 | 272 | 42 | 85 | 98 | 225 |
| Allocated Expenses | - | 171 | 311 | 482 | - | 240 | 274 | 514 |
| Habib Bank Limited - Sponsor | | | | | | | | |
| Profit on bank deposits earned | 5 | 40 | 39 | 84 | 1 | 48 | 33 | 82 |
| Executives and their relatives | | | | | | | | |
| Issuance of units | 2,545 | 213 | 220 | 2,978 | 1,430 | 1,448 | 400 | 3,278 |
| Amount of units Issued | 1,414 | 57 | 58 | 1,529 | 519 | 323 | 87 | 929 |
| Reallocation of units | 85 | 221 | (418) | (112) | 1,430 | 1,448 | 400 | 3,278 |
| Amount of units Reallocated | 50 | 59 | (109) | - | 519 | 323 | 87 | 929 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Remuneration | 55 | 139 | 258 | 452 | 33 | 104 | 120 | 257 |
| Sales tax on Trustee fee | 7 | 18 | 33 | 58 | 4 | 14 | 16 | 34 |
| HBL Financial Sector Income Fund Plan 1 - Associate | | | | | | | | |
| Sale of GoP Ijarah Sukuk | - | - | - | - | - | 106,995 | 216,555 | 323,550 |
| HBL Islamic Income Fund - Associate | | | | | | | | |
| Purchase of GoP Ijarah Sukuk | - | - | - | - | - | 141,065 | 253,699 | 394,764 |

9.2 Balances outstanding as at period / year end

| | September 30, 2024 (Un-audited) | | | | June 30, 2024 (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) | | | | | | | | |
| HBL Asset Management Limited - Pension Fund Manager | | | | | | | | |
| Management fee payable | 125 | 149 | 179 | 453 | 132 | 210 | 361 | 703 |
| Sindh Sales Tax payable | 19 | 19 | 23 | 61 | 17 | 27 | 47 | 91 |
| Allocation of Expenses | - | 48 | 62 | 110 | - | 167 | 257 | 424 |
| Other Payable | 2,500 | - | - | 2,500 | 2,500 | - | - | 2,500 |
| Habib Bank Limited - Sponsor | | | | | | | | |
| Balance in savings account | 3,064 | 16,786 | 7,707 | 27,557 | 3,264 | 177,057 | 454,464 | 634,785 |
| Directors and Executives of the Pension Fund Manager and their relatives | | | | | | | | |
| Directors of the Management Company and their relatives | | | | | | | | |
| Units held | 30,853 | 40,287 | 15,662 | 86,802 | 30,853 | 40,287 | 15,662 | 86,802 |
| Amount of units held | 17,503 | 11,382 | 4,277 | 33,162 | 15,141 | 10,308 | 3,898 | 29,347 |
| Executives and their relatives | | | | | | | | |
| Units held | 63,567 | 25,766 | 492 | 89,825 | 60,937 | 25,332 | 690 | 86,959 |
| Amount of units held | 36,061 | 7,280 | 134 | 43,475 | 29,904 | 6,482 | 172 | 36,558 |
| Central Depository Company of Pakistan Limited - Trustee | | | | | | | | |
| Remuneration payable | 20 | 51 | 100 | 171 | 21 | 47 | 81 | 149 |
| Security Deposit | 100 | 100 | 100 | 300 | 100 | 100 | 100 | 300 |

10 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

| | | September 30, 2024 | | | | | | | |
|---|----------------|-----------------------|--------------------------------------|------------------|------------------|----------------|----------------|----------|----------------|
| | | Carrying amount | | | Fair Value | | | | |
| Note | Held For trade | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total | |
| On-balance sheet financial instruments | | | | | | | | | |
| (Rupees in '000) | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments: | 5 | | | | | | | | |
| - Listed equity securities | | 150,139 | - | - | 150,139 | 150,139 | - | - | 150,139 |
| - GoP Ijarah Sukuks | | 660,434 | - | - | 660,434 | - | 660,434 | - | 660,434 |
| - Sukuk certificates | | 143,872 | - | - | 143,872 | - | 143,872 | - | 143,872 |
| | | 954,445 | - | - | 954,445 | 150,139 | 804,306 | - | 954,445 |
| Financial assets not measured at fair value | | | | | | | | | |
| | 10.1 | | | | | | | | |
| Bank balances | | - | 326,910 | - | 326,910 | - | - | - | - |
| Dividend receivable and accrued mark-up | | - | 48,222 | - | 48,222 | - | - | - | - |
| Advances, deposits and other receivables | | - | 3,462 | - | 3,462 | - | - | - | - |
| | | - | 378,594 | - | 378,594 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | | |
| | 10.1 | | | | | | | | |
| Payable to the Pension Fund Manager | | - | - | 803 | 803 | - | - | - | - |
| Payable to the Trustee | | - | - | 151 | 151 | - | - | - | - |
| Payable to the Securities and Exchange Commission of Pakistan | | - | - | 128 | 128 | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | 6,268 | 6,268 | - | - | - | - |
| Participants' sub-funds | | - | - | 1,321,314 | 1,321,314 | - | - | - | - |
| | | - | - | 1,328,664 | 1,328,664 | - | - | - | - |

| | | June 30, 2024 | | | | | | | |
|---|---|------------------|-----------------------|--------------------------------------|------------------|---------------|----------------|----------|----------------|
| | | Carrying amount | | | Fair Value | | | | |
| | | Held for Trade | Loans and receivables | Other financial assets / liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| On-balance sheet financial instruments | | (Rupees in '000) | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | |
| Investments: | 5 | | | | | | | | |
| - Listed equity securities | | 75,967 | - | - | 75,967 | 75,967 | - | - | 75,967 |
| - Ijarah Sukuks | | 306,848 | - | - | 306,848 | - | 306,848 | - | 306,848 |
| - Sukuk Certificates | | 60,997 | - | - | 60,997 | - | 60,997 | - | 60,997 |
| | | 443,812 | - | - | 443,812 | 75,967 | 367,845 | - | 443,812 |
| Financial assets not measured at fair value | | 10.1 | | | | | | | |
| Bank balances | | - | 638,738 | - | 638,738 | - | - | - | - |
| Dividend receivable and accrued mark-up | | - | 17,996 | - | 17,996 | - | - | - | - |
| Advances, deposits and other receivables | | - | 3,650 | - | 3,650 | - | - | - | - |
| | | - | 660,384 | - | 660,384 | - | - | - | - |
| Financial liabilities not measured at fair value | | 10.1 | | | | | | | |
| Payable to the Pension Fund Manager | | - | - | 794 | 794 | - | - | - | - |
| Payable to the Trustee | | - | - | 150 | 150 | - | - | - | - |
| Payable to the Securities and Exchange Commission of Pakistan | | - | - | 325 | 325 | - | - | - | - |
| Accrued expenses and other liabilities | | - | - | 8,887 | 8,887 | - | - | - | - |
| Participants' sub-funds | | - | - | 1,181,947 | 1,181,947 | - | - | - | - |
| | | - | - | 1,192,103 | 1,192,103 | - | - | - | - |

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 24,2024.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

KPK Pension Fund

FUND INFORMATION

| | |
|-----------------|--|
| Name of Fund | HBL KPK Pension Fund |
| Name of Auditor | M/s. BDO Ebrahim & Co. |
| Name of Trustee | Central Depository Company of Pakistan Limited |
| Bankers | Soneri Bank Limited Bank Alfalah Limited |

HBL KPK Pension Fund
Condensed Interim Statement of Assets and Liabilities
AS AT SEPTEMBER 30, 2024

| | September 30, 2024 (Un-Audited) | | | | | June 30, 2024 (Audited) | | | | | |
|--|---------------------------------|-------------------------------|------------|--------------|---------------|-------------------------|------------|------------|--------------|---------------|---------------|
| | Equity Index | Equity | Debt | Money market | Total | Equity Index | Equity | Debt | Money market | Total | |
| | Sub-Fund | Sub-Fund | Sub-Fund | Sub-Fund | | Sub-Fund | Sub-Fund | Sub-Fund | Sub-Fund | | |
| Note ----- (Rupees in "000") ----- | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Bank balances | 4 | 554 | 554 | 544 | 4,747 | 6,399 | 554 | 554 | 544 | 1,119 | 2,771 |
| Investments | 5 | - | - | - | 35,283 | 35,283 | - | - | - | 36,157 | 36,157 |
| Markup on bank deposit receivable | | 10 | 10 | 9 | 720 | 749 | 10 | 10 | 9 | 195 | 224 |
| Advances, Deposits and prepayments | | - | - | - | 350 | 350 | - | - | - | 350 | 350 |
| Preliminary expenses and floatation costs | 6 | - | - | - | 373 | 373 | - | - | - | 392 | 392 |
| Total assets | | 564 | 564 | 553 | 41,473 | 43,154 | 564 | 564 | 553 | 38,213 | 39,894 |
| LIABILITIES | | | | | | | | | | | |
| Payable to HBL Asset Management Limited - Pension Fund Manager | 7 | - | - | - | 460 | 460 | - | - | - | 460 | 460 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | 8 | - | - | - | 6 | 6 | - | - | - | 10 | 10 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | 9 | - | - | - | 4 | 4 | - | - | - | 7 | 7 |
| Accrued expenses and other liabilities | 10 | 64 | 64 | 53 | 78 | 259 | 64 | 64 | 53 | 56 | 237 |
| Total liabilities | | 64 | 64 | 53 | 548 | 729 | 64 | 64 | 53 | 533 | 714 |
| NET ASSETS | | 500 | 500 | 500 | 40,925 | 42,425 | 500 | 500 | 500 | 37,680 | 39,180 |
| PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS) | | 500 | 500 | 500 | 40,925 | 42,425 | 500 | 500 | 500 | 37,680 | 39,180 |
| CONTINGENCIES & COMMITMENTS | 11 | | | | | | | | | | |
| | | ----- (Number of units) ----- | | | | | | | | | |
| Number of units in issue | 13 | 5,000 | 5,000 | 5,000 | 350,056 | | 5,000 | 5,000 | 5,000 | 338,289 | |
| | | ----- (Rupees) ----- | | | | | | | | | |
| Net assets value per unit | | 100.0000 | 100.0000 | 100.0000 | 116.9112 | | 100.0000 | 100.0000 | 100.0000 | 111.3831 | |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Pension Fund
Condensed Interim Income Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| September 30, 2024 (Un-Audited) | | | | | |
|---|--------------------------|--------------------|------------------|--------------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| INCOME | | | | | |
| Mark-up on investments | - | - | - | 1,726 | 1,726 |
| Mark-up on bank deposits | - | - | - | 154 | 154 |
| Unrealized diminution on re measurement of investment at fair value through profit & loss | - | - | - | 125 | 125 |
| Loss on sale of investment | - | - | - | 14 | 14 |
| Total income | - | - | - | 2,019 | 2,019 |
| EXPENSES | | | | | |
| Remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 15 | 15 |
| Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 2 | 2 |
| Annual fee - Securities and Exchange Commission of Pakistan | - | - | - | 4 | 4 |
| Auditor's remuneration | - | - | - | 49 | 49 |
| Amortisation of formation cost | - | - | - | 19 | 19 |
| Total expenses | - | - | - | 89 | 89 |
| Net income for the period before taxation | - | - | - | 1,930 | 1,930 |
| Taxation | 14 | - | - | - | - |
| Net income for the period after taxation | - | - | - | 1,930 | 1,930 |
| Earnings per unit | 15 | | | | |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Pension Fund

Condensed Interim Statement of Other Comprehensive Income (Un-audited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| September 30, 2024 (Un-Audited) | | | | |
|---|--------------------|------------------|-----------------------------|-------|
| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| ----- (Rupees in "000") ----- | | | | |
| Net income for the period after taxation | - | - | 1,930 | 1,930 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 1,930 | 1,930 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Pension Fund

Condensed Interim Statement Of Movement In Participants Sub Funds (Un-audited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| September 30, 2024 (Un-Audited) | | | | | |
|---------------------------------------|--------------------|------------------|--------------------------|--------|--------|
| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| ----- (Rupees in "000") ----- | | | | | |
| Net assets at the beginning of period | 500 | 500 | 500 | 37,680 | 39,180 |
| Amount received on issue of units | - | - | - | 1,315 | 1,315 |
| Amount paid on redemption of units | - | - | - | - | - |
| | - | - | - | 1,315 | 1,315 |
| Net income for the period | - | - | - | 1,930 | 1,930 |
| Net assets at the end of period | 500 | 500 | 500 | 40,925 | 42,425 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Pension Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

September 30, 2024 (Un-Audited)

| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
|--------------------------|--------------------|------------------|-----------------------------|-------|
|--------------------------|--------------------|------------------|-----------------------------|-------|

Note ----- (Rupees in "000") -----

CASH FLOWS FROM OPERATING ACTIVITIES

| | | | | | |
|---|-----|-----|-----|-------|-------|
| Net income for the period | - | - | - | 1,930 | 1,930 |
| Adjustments for non cash items | - | - | - | - | - |
| (Increase) / Decrease in assets | | | | | |
| Formation Cost | - | - | - | 19 | 19 |
| Investment | - | - | - | 874 | 874 |
| Markup on bank deposit receivable | - | - | - | (525) | (525) |
| | - | - | - | 368 | 368 |
| Increase / (Decrease) in liabilities | | | | | |
| Payable to the Pension Fund Manager | - | - | - | - | - |
| Payable to Trustee | - | - | - | (4) | (4) |
| Annual fee - Securities and Exchange Commission of Pakistan (SECP) | - | - | - | (3) | (3) |
| Accrued expenses and other liabilities | - | - | - | 22 | 22 |
| | - | - | - | 15 | 15 |
| Net cash flows generated from operating activities | - | - | - | 2,313 | 2,313 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipt from issuance of units | - | - | - | 1,315 | 1,315 |
| Payments on redemption of units | - | - | - | - | - |
| Net cash flows generated from financing activities | - | - | - | 1,315 | 1,315 |
| Net increase in cash and cash equivalents | - | - | - | 3,628 | 3,628 |
| Cash and cash equivalents at beginning of the period | 554 | 554 | 544 | 1,119 | 2,771 |
| Cash and cash equivalents at end of the period | 4 | 554 | 554 | 544 | 4,747 |
| | | | | 4,747 | 6,399 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Pension Fund

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 HBL KPK Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on September 12, 2023 under the Voluntary Pension System (VPS) Rules, 2005. Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 22, 2023. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 14, 2023.
- 1.2 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.3 The Fund is an unlisted pension scheme and units are offered on a continuous basis to employees of KPK Government appointed / recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization. The units are non-transferable except in the circumstances mentioned in VPS Rules and KPK Act 2022 and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.4 The Fund consists of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (collectively the "Sub-Funds"). Under the KPK Civil Servants Act 2022, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain in operative till then. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document and the KPK Rules, 2022.
- 1.5 Except for the departure from investment policy provided in the offering document, where the Pension Fund Manager shall place the seed capital amount of all sub-funds other than Money market Sub-Fund in a separate bank account in a commercial bank having at least such rating as prescribed thereunder for first three years from the date of launch of the Pension Fund, the investment shall be made as per the investment policy mentioned in the offering document. The investment policy for each of the sub-funds is as follows:
- The investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KSE-100 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Treasury bills not exceeding 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub Fund shall be invested in equity securities which are listed on Pakistan Stock Exchange (PSX) or for the listing of which an application has been approved by PSX and Equity Sub Fund shall be eligible to invest in units of Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. Investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;

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- The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. Exposure to any single entity or debt securities of a single entity shall not exceed 10% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The Money Market Sub-Fund consists of short-term money market securities with weighted average time to maturity not exceeding 90 days. Time to maturity of any assets in the portfolio shall not exceed six months. Exposure to any single entity or debt securities of a single entity, with the exception of those issued by the Federal Government, shall not exceed 10% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. However, at all times, atleast 10% of the NAV of the Sub-Fund shall be invested scheduled commercial banks having prescribed ratings or government securities having upto 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document.

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

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

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

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

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

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

2.12 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.

2.13 These condensed interim financial statements are presented in Pakistani rupee ("Rupees" or "Rs."), which is the functional and presentation currency of the Fund.

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial instruments

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

3.3.1 Financial assets

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

3.3.1.1 Classification and subsequent measurement

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

3.3.1.1.1 Debt instruments

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

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

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

The fair value of debt instruments is determined as follows:

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

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

3.3.1.1.2 Equity instruments

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

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

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

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

3.3.1.2 Impairment

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

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

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

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

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

3.3.1.3 Derecognition

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

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

3.3.1.4 Derivatives

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

3.3.2 Financial liabilities

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

3.3.2.1 Classification and subsequent measurement

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

3.3.2.2 Derecognition

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

3.3.3 Offsetting of financial assets and financial liabilities

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

3.3.4 Regular way contracts

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

3.4 Preliminary expenses and floatation costs

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

3.5 Provisions

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

3.6 Net asset value per unit

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

3.7 Issue and redemption of units

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

3.8 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates, term deposit receipts and government securities is recognized on an accrual basis except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognized on a time proportionate basis using bank's approved rates when accrued.

3.9 Expenses

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

3.10 Distribution to the unit holders

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

3.11 Taxation

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

3.12 Earnings / (loss) per unit

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

4 BANK BALANCES

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | | |
|------------------|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| | (Rupees in "000") | | | | | (Rupees in "000") | | | | | |
| Savings accounts | 4.1 | 554 | 554 | 544 | 4,747 | 6,399 | 554 | 554 | 544 | 1,119 | 2,771 |

4.1 These carry profit at the rates ranging between of 15%- 17% per annum.

5 INVESTMENT

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|---|---------------------------------|-----------------|---------------|-----------------------|--------|-------------------------|-----------------|---------------|-----------------------|--------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees in "000") | | | | | (Rupees in "000") | | | | |
| Corporate Sukuk - at amortized cost | 5.1 | - | - | - | - | - | - | - | 3,000 | 3,000 |
| Treasury Bills - fair value through profit and loss | 5.2 | - | - | 35,283 | 35,283 | - | - | - | 33,157 | 33,157 |
| | | - | - | 35,283 | 35,283 | - | - | - | 36,157 | 36,157 |

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

5.2 Treasury Bills

| | Issue date | As at July 01, 2024 | Purchase during the period | Sold/Matured during period | As at September 30, 2024 | Carrying Value as at September 30, 2024 | Market Value as at September 30, 2024 | Market Value as | |
|---------------------------|-------------------|---------------------|----------------------------|----------------------------|--------------------------|---|---------------------------------------|-----------------------|-----------------|
| | | | | | | | | % of Total Investment | % of Net Assets |
| (Rupees in "000") | | | | | | | | | |
| Treasury Bill - 12 months | July 13, 2023 | 19,000 | - | 19,000 | - | - | - | - | - |
| Treasury Bill - 12 months | November 16, 2023 | 11,700 | - | 6,000 | 5,700 | 5,570 | 5,587 | 15.83 | 13.65 |
| Treasury Bill - 6 months | June 27, 2024 | 3,700 | - | - | 3,700 | 3,545 | 3,569 | 10.12 | 8.72 |
| Treasury Bill - 12 months | October 19, 2023 | - | 16,000 | - | 16,000 | 15,878 | 15,879 | 45.00 | 38.8 |
| Treasury Bill - 6 months | August 22, 2024 | - | 10,000 | - | 10,000 | 9,372 | 9,449 | 26.78 | 23.09 |
| Treasury Bill - 6 months | September 5, 2024 | - | 850 | - | 850 | 793 | 799 | 2.26 | 1.95 |
| | | 34,400 | 26,850 | 25,000 | 36,250 | 35,158 | 35,283 | 100.00 | 86.21 |

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | | |
|-----------------------------------|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| | (Rupees in "000") | | | | | (Rupees in "000") | | | | | |
| Cost charged | 6.1 | - | - | - | 392 | 392 | - | - | - | 450 | 450 |
| Less: Amortization for the period | | - | - | - | (19) | (19) | - | - | - | (58) | (58) |
| Closing Balance | | - | - | - | 373 | 373 | - | - | - | 392 | 392 |

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

7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|---|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees in "000") | | | | | (Rupees in "000") | | | | |
| Remuneration Payable to the Pension Fund Manager | 7.1 | - | - | - | - | - | - | - | - | - |
| Sindh Sales Tax payable on remuneration of the Pension Fund Manager | 7.2 | - | - | - | - | - | - | - | - | - |
| Formation cost payable to the Pension Fund Manager | 7.3 | - | - | - | 460 | 460 | - | - | - | 460 |
| | | - | - | - | 460 | 460 | - | - | - | 460 |

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

7.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% w.e.f July 01, 2024 on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011.

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

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|--|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees in "000") | | | | | (Rupees in "000") | | | | |
| Remuneration to the Central Depository of Pakistan Limited - Trustee | 8.1 | - | - | - | 5 | 5 | - | - | - | 9 |
| Sindh Sales Tax on remuneration of Trustee | 8.2 | - | - | - | 1 | 1 | - | - | - | 1 |
| | | - | - | - | 6 | 6 | - | - | - | 10 |

8.1 As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations.

8.2 Sales tax at the rate of 15% w.e.f July 01, 2024 on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

9 ANNUAL FEES PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

| | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|--------------------|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees in "000") | | | | | (Rupees in "000") | | | | |
| Audit fees payable | - | - | - | 51 | 51 | - | - | - | 29 | 29 |
| Other payable | 64 | 64 | 53 | 27 | 208 | 64 | 64 | 53 | 27 | 208 |
| | 64 | 64 | 53 | 78 | 259 | 64 | 64 | 53 | 56 | 237 |

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2024.

12 CONTRIBUTION TABLE

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

| | September 30, 2024 (Un-audited) | | | | | | | | | |
|-------------|---------------------------------|-------------------|---------------|-----------------------|---------|-----------------------|-----------------|-------------------|-----------------------|-------------------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| From: | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") |
| Individuals | - | - | - | - | - | - | 11,767 | 1,315 | 11,767 | 1,315 |

13 NUMBER OF UNITS IN ISSUE

| | September 30, 2024 (Un-audited) | | | | |
|--|---------------------------------|-----------------|---------------|-----------------------|---------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Number of units) | | | | |
| Total units outstanding at beginning of the period | 5,000 | 5,000 | 5,000 | 338,289 | 353,289 |
| Units issued during the period | - | - | - | 11,767 | 11,767 |
| Units redeemed during the period | - | - | - | - | - |
| Reallocation during the period | - | - | - | - | - |
| Total units in issue at the end of the period | 5,000 | 5,000 | 5,000 | 350,056 | 365,056 |

14 TAXATION

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

15 EARNINGS / (LOSS) PER UNIT

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

16 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

16.1 Transactions during the period

September 30, 2024 (Un-audited)

| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
|--------------------------|--------------------|------------------|--------------------------|-------|
|--------------------------|--------------------|------------------|--------------------------|-------|

(Rupees in "000")

HBL Asset Management Limited Pension Fund Manager

| | | | | | |
|---|---|---|---|----|----|
| Preliminary expenses and floatation costs | - | - | - | 19 | 19 |
|---|---|---|---|----|----|

Central Depository Company of Pakistan Limited - Trustee

| | | | | | |
|--|---|---|---|----|----|
| Remuneration to the Central Depository Company of Pakistan Limited - Trustee | - | - | - | 15 | 15 |
| Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 2 | 2 |

HBL Money Market Fund

| | | | | | |
|-----------------|---|---|---|-------|-------|
| Sale of T bills | - | - | - | 9,000 | 9,000 |
|-----------------|---|---|---|-------|-------|

16.2 Balances outstanding as at period end

September 30, 2024 (Un-audited)

June 30, 2024 (Audited)

| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
|--------------------------|--------------------|------------------|--------------------------|-------|--------------------------|--------------------|------------------|-----------------------------|-------|
|--------------------------|--------------------|------------------|--------------------------|-------|--------------------------|--------------------|------------------|-----------------------------|-------|

HBL Asset Management Limited Pension Fund Manager

| | | | | | | | | | | |
|--|-------|-------|-------|---------|---------|-------|-------|-------|---------|---------|
| Formation cost payable to the Pension Fund Manager | | | | 460 | 460 | - | - | - | 460 | 460 |
| Seed Capital Units held | 5,000 | 5,000 | 5,000 | 300,000 | 315,000 | 5,000 | 5,000 | 5,000 | 300,000 | 315,000 |
| Amount of Seed Capital Units held | 500 | 500 | 500 | 35,073 | 36,573 | 500 | 500 | 500 | 33,415 | 34,915 |

Central Depository Company of Pakistan Limited - Trustee

| | | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|---|---|
| Remuneration to the Central Depository Company of Pakistan Limited - Trustee | - | - | - | 5 | 5 | - | - | - | 9 | 9 |
| Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 1 | 1 | - | - | - | 1 | 1 |

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

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

| | | Held by Equity Index Sub-Fund | | | | | | |
|------|---|--------------------------------------|-------------------|-------|------------|---------|---------|-------|
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying amount | | | Fair value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | ----- (Rupees in 000) ----- | | | | | | |
| | Financial assets not measured at fair value | | | | | | | |
| 17.1 | Bank balances | - | 554 | 554 | - | - | - | - |
| | Markup on bank deposit receivable | - | 10 | 10 | - | - | - | - |
| | | - | 564 | 564 | - | - | - | - |
| | Financial liabilities not measured at fair value | | | | | | | |
| 17.1 | Accrued expenses and other liabilities | - | 64 | 64 | - | - | - | - |
| | | - | 64 | 64 | - | - | - | - |
| | | ----- (Rupees in 000) ----- | | | | | | |
| | | Held by Equity Sub-Fund | | | | | | |
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying amount | | | Fair value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | ----- (Rupees in 000) ----- | | | | | | |
| | Financial assets not measured at fair value | | | | | | | |
| 17.1 | Bank balances | - | 554 | 554 | - | - | - | - |
| | Markup on bank deposit receivable | - | 10 | 10 | - | - | - | - |
| | | - | 564 | 564 | - | - | - | - |
| | Financial liabilities not measured at fair value | | | | | | | |
| 17.1 | Accrued expenses and other liabilities | - | 64 | 64 | - | - | - | - |
| | | - | 64 | 64 | - | - | - | - |
| | | ----- (Rupees in 000) ----- | | | | | | |
| | | Held by Debt Sub-Fund | | | | | | |
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying Amount | | | Fair Value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | ----- (Rupees in 000) ----- | | | | | | |
| | Financial assets not measured at fair value | | | | | | | |
| 17.1 | Bank balances | - | 544 | 544 | - | - | - | - |
| | Markup on bank deposit receivable | - | 9 | 9 | - | - | - | - |
| | | - | 553 | 553 | - | - | - | - |
| | Financial liabilities not measured at fair value | | | | | | | |
| 17.1 | Accrued expenses and other liabilities | - | 53 | 53 | - | - | - | - |
| | | - | 53 | 53 | - | - | - | - |

| | | Held by Money Market Sub-Fund | | | | | | |
|---|--|--------------------------------------|-------------------|--------|------------|---------|---------|--------|
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying Amount | | | Fair Value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | (Rupees in 000) | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| | Treasury Bills | 35,283 | - | 35,283 | - | 35,283 | - | 35,283 |
| | | 35,283 | - | 35,283 | - | 35,283 | - | 35,283 |
| Financial assets not measured at fair value | | | | | | | | |
| 17.1 | Bank balances | - | 4,747 | 4,747 | - | - | - | - |
| | Markup and other receivable | - | 1,443 | 1,443 | - | - | - | - |
| | | - | 6,190 | 6,190 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| 17.1 | Payable to the Pension Fund Manager | - | 460 | 460 | - | - | - | - |
| | Payable to the Trustee | - | 5 | 5 | - | - | - | - |
| | Accrued expenses and other liabilities | - | 78 | 78 | - | - | - | - |
| | | - | 543 | 543 | - | - | - | - |

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

17.2 Transfers during the year

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

18 TOTAL EXPENSE RATIO

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

| | September 30, 2024 (Un-audited) | | | |
|--------------------------------|---------------------------------|-----------------|---------------|-----------------------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund |
| | % | | | |
| Annualized Total Expense Ratio | 0.00% | 0.00% | 0.00% | 0.79% |
| Government levy and SECP fees | 0.00% | 0.00% | 0.00% | 0.04% |
| Insurance charges | 0.00% | 0.00% | 0.00% | 0.00% |

19 DATE OF AUTHORISATION FOR ISSUE

19.1 These condensed interim financial statements were authorised for issue on October 24, 2024 by the Board of Directors of the Pension Fund Manager.

20 GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

KPK Islamic Pension Fund

FUND INFORMATION

| | |
|-------------------------|---|
| Name of Fund | KPK Islamic Pension Fund |
| Name of Auditor | M/s. BDO Ebrahim & Co. |
| Name of Trustee | Central Depository Company of Pakistan Limited |
| Name of Shariah Advisor | AL-Hilal Shariah Advisor |
| Bankers | Bank Al Habib Limited Bank Islami Bank Limited |

HBL KPK Islamic Pension Fund

Condensed Interim Statement of Assets and Liabilities

AS AT SEPTEMBER 30, 2024

| | September 30, 2024 (Un-Audited) | | | | | June 30, 2024 (Audited) | | | | |
|--|---------------------------------|------------|------------|---------------|---------------|-------------------------|------------|------------|---------------|---------------|
| | Equity Index | Equity | Debt | Money market | Total | Equity Index | Equity | Debt | Money market | Total |
| | Sub-Fund | Sub-Fund | Sub-Fund | Sub-Fund | | Sub-Fund | Sub-Fund | Sub-Fund | Sub-Fund | |
| ASSETS | (Rupees in "000") | | | | | | | | | |
| Bank balances | 546 | 546 | 546 | 7,759 | 9,397 | 546 | 546 | 546 | 6,723 | 8,361 |
| Investments | - | - | - | 32,457 | 32,457 | - | - | - | 29,781 | 29,781 |
| Markup on bank deposit receivable | 9 | 9 | 9 | 462 | 489 | 9 | 9 | 9 | 595 | 622 |
| Advances, Deposits and prepayments | - | - | - | - | - | - | - | - | 100 | 100 |
| Preliminary expenses and floatation costs | - | - | - | 365 | 365 | - | - | - | 392 | 392 |
| Total assets | 555 | 555 | 555 | 41,043 | 42,708 | 555 | 555 | 555 | 37,591 | 39,256 |
| LIABILITIES | | | | | | | | | | |
| Payable to HBL Asset Management Limited - Pension Fund Manager | - | - | - | 460 | 460 | - | - | - | 460 | 460 |
| Payable to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 6 | 6 | - | - | - | 8 | 8 |
| Annual fee payable to the Securities and Exchange Commission of Pakistan | - | - | - | 4 | 4 | - | - | - | 7 | 7 |
| Accrued expenses and other liabilities | 55 | 55 | 55 | 286 | 451 | 55 | 55 | 55 | 56 | 221 |
| Total liabilities | 55 | 55 | 55 | 756 | 921 | 55 | 55 | 55 | 532 | 696 |
| NET ASSETS | 500 | 500 | 500 | 40,287 | 41,787 | 500 | 500 | 500 | 37,060 | 38,560 |
| PARTICIPANTS' SUB FUNDS (AS PER CONDENSED INTERIM STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS) | 500 | 500 | 500 | 40,287 | 41,787 | 500 | 500 | 500 | 37,060 | 38,560 |
| CONTINGENCIES & COMMITMENTS | | | | | | | | | | |
| | (Number of units) | | | | | | | | | |
| Number of units in issue | 5,000 | 5,000 | 5,000 | 344,806 | | 5,000 | 5,000 | 5,000 | 335,921 | |
| | (Rupees) | | | | | | | | | |
| Net assets value per unit | 100.0000 | 100.0000 | 100.0000 | 116.8390 | | 100.0000 | 100.0000 | 100.0000 | 110.3225 | |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Islamic Pension Fund
Condensed Interim Income Statement Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| September 30, 2024 (Un-Audited) | | | | | |
|--|--------------------------|--------------------|------------------|--------------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| INCOME | | | | | |
| Mark-up on investments | - | - | - | 1,538 | 1,538 |
| Mark-up on bank deposits | - | - | - | 387 | 387 |
| Unrealized appreciation on re measurement of investment at fair value through profit & loss | - | - | - | 411 | 411 |
| Total income | - | - | - | 2,336 | 2,336 |
| EXPENSES | | | | | |
| Remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | - | 15 | 15 |
| Sindh Sales Tax on Trustee remuneration | - | - | - | 2 | 2 |
| Annual fee - Securities and Exchange Commission of Pakistan | - | - | - | 4 | 4 |
| Auditor's remuneration | - | - | - | 46 | 46 |
| Amortisation of formation cost | - | - | - | 27 | 27 |
| Total expenses | - | - | - | 94 | 94 |
| Net income for the period before taxation | - | - | - | 2,242 | 2,242 |
| Taxation | 14 | - | - | - | - |
| Net income for the period after taxation | - | - | - | 2,242 | 2,242 |
| Earnings per unit | 15 | | | | |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Islamic Pension Fund

Condensed Interim Statement Of Statement of Comprehensive Income(Un-audited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| September 30, 2024 (Un-Audited) | | | | |
|---|--------------------|------------------|-----------------------------|-------|
| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| (Rupees in "000") | | | | |
| Net income for the period after taxation | - | - | 2,242 | 2,242 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 2,242 | 2,242 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Islamic Pension Fund

Condensed Interim Statement Of Movement In Participants' Sub Funds (Un-audited) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

| September 30, 2024 (Un-Audited) | | | | |
|---------------------------------------|--------------------|------------------|--------------------------|--------|
| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| ----- (Rupees in "000") ----- | | | | |
| Net assets at the beginning of period | 500 | 500 | 37,060 | 38,560 |
| Amount received on issue of units | - | - | 985 | 985 |
| Amount paid on redemption of units | - | - | - | - |
| Net income for the period | - | - | 2,242 | 2,242 |
| Net assets at the end of period | 500 | 500 | 40,287 | 41,787 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Islamic Pension Fund
Condensed Interim Cash Flow Statement (Un-audited)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

September 30, 2024 (Un-Audited)

| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
|--------------------------|--------------------|------------------|-----------------------------|-------|
|--------------------------|--------------------|------------------|-----------------------------|-------|

Note ----- (Rupees in "000") -----

CASH FLOWS FROM OPERATING ACTIVITIES

| | | | | | |
|---|--------------|------------|------------|--------------|--------------|
| Net income for the period | - | - | - | 2,242 | 2,242 |
| Adjustments for non cash items | - | - | - | - | - |
| (Increase) / decrease in assets | | | | | |
| Formation Cost | - | - | - | 27 | 27 |
| Investment | - | - | - | (2,676) | (2,676) |
| Markup and other receivables | - | - | - | 233 | 233 |
| | - | - | - | (2,416) | (2,416) |
| Increase / (Decrease) in liabilities | | | | | |
| Payable to Trustee | - | - | - | (2) | (2) |
| Annual fee - Securities and Exchange Commission of Pakistan (SECP) | - | - | - | (3) | (3) |
| Accrued expenses and other liabilities | - | - | - | 230 | 230 |
| | - | - | - | 225 | 225 |
| Net cash flows generated from operating activities | - | - | - | 51 | 51 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Receipt from issuance of units | - | - | - | 985 | 985 |
| Payments on redemption of units | - | - | - | - | - |
| Net cash flows generated from financing activities | - | - | - | 985 | 985 |
| Net increase in cash and cash equivalents | - | - | - | 1,036 | 1,036 |
| Cash and cash equivalents at beginning of the period | 546 | 546 | 546 | 6,723 | 8,361 |
| Cash and cash equivalents at end of the period | 4 546 | 546 | 546 | 7,759 | 9,397 |

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

For HBL Asset Management Limited
(Pension Fund Manager)

Chief Financial Officer

Chief Executive Officer

Director

HBL KPK Islamic Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL KPK Islamic Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 22, 2023. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on September 12, 2023 under the Voluntary Pension System (VPS) Rules, 2005. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 14, 2023.
- 1.2** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.3** The Fund is an unlisted pension scheme and units are offered on a continuous basis to employees of KPK Government appointed / recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization. The units are non-transferable except in the circumstances mentioned in VPS Rules and KPK Act 2022 and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.4** The Fund consists of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (collectively the "Sub-Funds"). Under the KPK Civil Servants Act 2022, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain in operative till then. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document and the KPK Rules, 2022.
- 1.5** Except for the departure from investment policy provided in the offering document, where the Pension Fund Manager shall place the seed capital amount of all sub-funds other than Money market Sub-Fund in a separate bank account in a commercial bank having at least such rating as prescribed thereunder for first three years from the date of launch of the Pension Fund, the investment shall be made as per the investment policy mentioned in the offering document. The investment policy for each of the sub-funds is as follows:
- The investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Government securities not exceeding 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub Fund shall be invested in Shariah compliant equity securities which are listed on Pakistan Stock Exchange (PSX) or in units of Shariah compliant Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. Investment in a single company is restricted to lower of 15% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 35% of NAV or index weight, subject to a maximum of 40% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;

-
- The investment objective of the Debt Sub Fund is to earn returns from investments in Shariah compliant debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. Exposure to any single entity or debt securities of a single entity shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding 90 days. Time to maturity of any assets in the portfolio shall not exceed six months. Exposure to any single entity or securities of a single entity, with the exception of those issued by the Federal Government, shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. However, at all times, atleast 10% of the NAV of the Sub-Fund shall be invested scheduled commercial banks having prescribed ratings or government securities having upto 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document.

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

2.12 These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors.

2.13 These condensed interim financial statements are presented in Pakistani rupee ("Rupees" or "Rs."), which is the functional and presentation currency of the Fund.

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

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2 Cash and cash equivalents

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

3.3 Financial instruments

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

3.3.1 Financial assets

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

3.3.1.1 Classification and subsequent measurement

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

3.3.1.1.1 Debt instruments

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

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

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

The fair value of debt instruments is determined as follows:

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

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

3.3.1.1.2 Equity instruments

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

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

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

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

3.3.1.2 Impairment

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

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

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

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

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

3.3.1.3 Derecognition

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

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

3.3.1.4 Derivatives

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

3.3.2 Financial liabilities

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

3.3.2.1 Classification and subsequent measurement

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

3.3.2.2 Derecognition

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

3.3.3 Offsetting of financial assets and financial liabilities

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

3.3.4 Regular way contracts

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

3.4 Preliminary expenses and floatation costs

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

3.5 Provisions

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

3.6 Net asset value per unit

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

3.7 Issue and redemption of units

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

3.8 Revenue recognition

- Capital gains / (losses) arising on sale of investments are included in Income Statement and are recognised when the transaction takes place.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the date of commencement of book closure of the investee company / institution declaring the dividend.
- Income on sukuk certificates, term deposit receipts and government securities is recognized on an accrual basis except for the securities which are classified as Non-Performing Asset under Circular No. 33 of 2012 issued by the SECP for which the profits are recorded on cash basis.
- Profit on saving accounts with banks is recognized on a time proportionate basis using bank's approved rates when accrued.

3.9 Expenses

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

3.10 Distribution to the unit holders

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

3.11 Taxation

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

3.12 Earnings / (loss) per unit

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

4 BANK BALANCES

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | | |
|------------------|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| | (Rupees in 000') | | | | | | | | | | |
| Savings accounts | 4.1 | 546 | 546 | 546 | 7,759 | 9,397 | 546 | 546 | 546 | 6,723 | 8,362 |

4.1 These carries mark-up at the rates ranging between 6.50% to 14% per anum.

5 INVESTMENT

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | | |
|--|---------------------------------|-----------------|---------------|-----------------------|--------|-------------------------|-----------------|---------------|-----------------------|--------|--------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | |
| | (Rupees in 000') | | | | | | | | | | |
| Corporate Sukuk - at ammortized cost | 5.1 | - | - | - | - | - | - | - | - | 5,000 | 5,000 |
| GOP Ijara Sukuk - fair value through profit and loss | 5.2 | - | - | - | 32,457 | 32,457 | - | - | - | 24,781 | 24,781 |
| | | - | - | - | 32,457 | 32,457 | - | - | - | 29,781 | 29,781 |

5.1 Corporate Sukuk

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

| | As at July 01, 2024 | Purchase during the period | Sold/Matured during period | As at September 30, 2024 | Carrying Value as at September 30, 2024 | Market Value as at September 30, 2024 |
|--------------|---------------------|----------------------------|----------------------------|--------------------------|---|---------------------------------------|
| LECPL STS 17 | 5 | - | 5 | - | - | - |
| | 5 | - | 5 | - | - | - |

5.2 Financial assets at fair value through profit or loss - GOP Ijara Sukuk

| Issue date | Tenure | Face value | | | | Carrying value as at September 30, 2024 | Market value as at September 30, 2024 | Unrealised appreciation on re-measurement of investments | Market value as a percentage of net assets | Market value as a percentage of total value of investment |
|---|-----------|--------------------|-----------------------------|---------------------------------|--------------------------|---|---------------------------------------|--|--|---|
| | | As at July 1, 2024 | Purchases during the period | Sales / matured during the year | As at September 30, 2024 | | | | | |
| Money Market Sub Fund | | | | | | | | | | |
| 26-Apr-24 | 12 months | 28,500 | - | 5,000 | 23,500 | 21,350 | 21,641 | 291 | 53.72 | 66.68 |
| 15-Aug-24 | 12 months | - | 600 | - | 600 | 510 | 532 | 22 | 1.32 | 1.64 |
| 25-Jul-24 | 12 months | - | 11,500 | - | 11,500 | 10,186 | 10,284 | 98 | 25.53 | 31.68 |
| Total - as at September 30, 2024 | | 28,500 | 12,100 | 5,000 | 35,600 | 32,046 | 32,457 | 411 | 80.56 | 100 |

6 PRELIMINARY EXPENSES AND FLOATATION COSTS

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|-----------------------------------|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees) | | | | | (Rupees) | | | | |
| Cost charged | - | - | - | 392 | 392 | - | - | - | 450 | 450 |
| Less: Amortization for the period | - | - | - | (27) | (27) | - | - | - | (58) | (58) |
| Closing Balance | - | - | - | 365 | 365 | - | - | - | 392 | 392 |

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

7 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|---|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees) | | | | | (Rupees) | | | | |
| Remuneration Payable to the Pension Fund Manager | - | - | - | - | - | - | - | - | - | - |
| Sindh Sales Tax payable on remuneration of the Pension Fund Manager | - | - | - | - | - | - | - | - | - | - |
| Formation cost payable to the Pension Fund Manager | - | - | - | 460 | 460 | - | - | - | 460 | 460 |
| | - | - | - | 460 | 460 | - | - | - | 460 | 460 |

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

7.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% w.e.f 01 July, 2024 on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011.

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

8 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

| Note | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|--|---------------------------------|-----------------|---------------|-----------------------|-------|-------------------------|-----------------|---------------|-----------------------|-------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees) | | | | | (Rupees) | | | | |
| Remuneration to the Central Depository of Pakistan Limited - Trustee | - | - | - | 5 | 5 | - | - | - | 7 | 7 |
| Sindh Sales Tax on remuneration of Trustee | - | - | - | 1 | 1 | - | - | - | 1 | 1 |
| | - | - | - | 6 | 6 | - | - | - | 8 | 8 |

8.1 As per regulation 60 (3)(b) together with 67G (3) of the NBFC Regulations, 2008, the Pension Fund Manager shall charge remuneration of the Trustee related to the Fund within the limits of Total Expense Ratio as prescribed under the said regulations.

8.2 Sales tax at the rate of 15% w.e.f 01 July, 2024 on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

9 ANNUAL FEES PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

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

10 ACCRUED EXPENSES AND OTHER LIABILITIES

| | September 30, 2024 (Un-audited) | | | | | June 30, 2024 (Audited) | | | | |
|-------------------------|---------------------------------|-----------------|---------------|-----------------------|------------|-------------------------|-----------------|---------------|-----------------------|------------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Rupees in 000) | | | | | | | | | |
| Audit fees payable | - | - | - | 51 | 51 | - | - | - | 36 | 36 |
| Withholding tax payable | - | - | - | 19 | 19 | - | - | - | 19 | 19 |
| Other payable | 55 | 55 | 55 | 216 | 381 | 55 | 55 | 55 | 1 | 166 |
| | <u>55</u> | <u>55</u> | <u>55</u> | <u>286</u> | <u>451</u> | <u>55</u> | <u>55</u> | <u>55</u> | <u>56</u> | <u>221</u> |

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at September 30, 2024.

12 CONTRIBUTION TABLE

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

| | September 30, 2024 (Un-audited) | | | | | | | | | |
|-------------|---------------------------------|-------------------|-----------------|-------------------|---------------|-------------------|-----------------------|-------------------|---------|-------------------|
| | Equity Index Sub-Fund | | Equity Sub-Fund | | Debt Sub-Fund | | Money Market Sub-Fund | | Total | |
| From: | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") |
| Individuals | - | - | - | - | - | - | 8,885 | 985 | 8,885 | 985 |

| | June 30, 2024 (Audited) | | | | | | | | | |
|--|-------------------------|-------------------|-----------------|-------------------|---------------|-------------------|-----------------------|-------------------|---------|-------------------|
| | Equity Index Sub-Fund | | Equity Sub-Fund | | Debt Sub-Fund | | Money Market Sub-Fund | | Total | |
| From: | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") | (Units) | (Rupees in "000") |
| Individuals | - | - | - | - | - | - | 35,921 | 3,696 | 35,921 | 3,696 |
| HBL Asset Management Limited - Sponsor | 5,000 | 500 | 5,000 | 500 | 5,000 | 500 | 300,000 | 30,000 | 315,000 | 31,500 |

13 NUMBER OF UNITS IN ISSUE

| | September 30, 2024 (Un-audited) | | | | |
|--|---------------------------------|-----------------|---------------|-----------------------|----------------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
| | (Number of units) | | | | |
| Total units outstanding at beginning of the period | 5,000 | 5,000 | 5,000 | 335,921 | 350,921 |
| Units issued during the period | - | - | - | 8,885 | 8,885 |
| Units redeemed during the period | - | - | - | - | - |
| Reallocation during the period | - | - | - | - | - |
| Total units in issue at the end of the period | <u>5,000</u> | <u>5,000</u> | <u>5,000</u> | <u>344,806</u> | <u>359,806</u> |

14 TAXATION

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

15 EARNINGS / (LOSS) PER UNIT

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

16 TRANSACTIONS WITH CONNECTED PERSONS

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

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

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

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

16.1 Transactions during the period

September 30, 2024 (Un-audited)

| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
|--------------------------|--------------------|------------------|--------------------------|-------|
|--------------------------|--------------------|------------------|--------------------------|-------|

(Rupees in "000")

HBL Asset Management Limited Pension Fund Manager

| | | | | |
|---|---|---|----|----|
| Preliminary expenses and floatation costs | - | - | 27 | 27 |
| Issuance of Seed Capital Units | - | - | - | - |
| Amount of Seed Capital Units issued | - | - | - | - |

Central Depository Company of Pakistan Limited - Trustee

| | | | | |
|---|---|---|----|----|
| Remuneration to the Central Depository Company of Pakistan Limited - Trustee | - | - | 15 | 15 |
| Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | 2 | 2 |

16.2 Balances outstanding as at period end

September 30, 2024 (Un-audited)

June 30, 2024 (Audited)

| Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund | Total |
|--------------------------|--------------------|------------------|--------------------------|-------|--------------------------|--------------------|------------------|--------------------------|-------|
|--------------------------|--------------------|------------------|--------------------------|-------|--------------------------|--------------------|------------------|--------------------------|-------|

(Rupees in "000")

HBL Asset Management Limited Pension Fund Manager

| | | | | | | | | | |
|--|-------|-------|---------|---------|-------|-------|-------|---------|---------|
| Formation cost payable to the Pension Fund Manager | - | - | 460 | 460 | - | - | - | 460 | 460 |
| Seed Capital Units held | 5,000 | 5,000 | 300,000 | 315,000 | 5,000 | 5,000 | 5,000 | 300,000 | 315,000 |
| Amount of Seed Capital Units held | 500 | 500 | 35,052 | 36,552 | 500 | 500 | 500 | 33,097 | 34,597 |

Central Depository Company of Pakistan Limited - Trustee

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Remuneration to the Central Depository Company of Pakistan Limited - Trustee | - | - | 5 | 5 | - | - | - | 7 | 7 |
| Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee | - | - | 1 | 1 | - | - | - | 1 | 1 |

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

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

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

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

| | | Held by Equity Index Sub-Fund | | | | | | |
|---|-------------|--------------------------------------|-------------------|-------|------------|---------|---------|-------|
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying amount | | | Fair value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | ----- (Rupees in 000) ----- | | | | | | |
| Financial assets not measured at fair value | 17.1 | | | | | | | |
| Bank balances | | - | 546 | 546 | - | - | - | - |
| Markup on bank deposit receivable | | - | 9 | 9 | - | - | - | - |
| | | - | 555 | 555 | - | - | - | - |
| Financial liabilities not measured at fair value | 17.1 | | | | | | | |
| Accrued expenses and other liabilities | | - | 55 | 55 | - | - | - | - |
| | | - | 55 | 55 | - | - | - | - |
| | | ----- (Rupees in 000) ----- | | | | | | |
| | | Held by Equity Sub-Fund | | | | | | |
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying amount | | | Fair value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | ----- (Rupees in 000) ----- | | | | | | |
| Financial assets not measured at fair value | 17.1 | | | | | | | |
| Bank balances | | - | 546 | 546 | - | - | - | - |
| Markup on bank deposit receivable | | - | 9 | 9 | - | - | - | - |
| | | - | 555 | 555 | - | - | - | - |
| Financial liabilities not measured at fair value | 17.1 | | | | | | | |
| Accrued expenses and other liabilities | | - | 55 | 55 | - | - | - | - |
| | | - | 55 | 55 | - | - | - | - |
| | | ----- (Rupees in 000) ----- | | | | | | |
| | | Held by Debt Sub-Fund | | | | | | |
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying Amount | | | Fair Value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| | Note | ----- (Rupees in 000) ----- | | | | | | |
| Financial assets not measured at fair value | 17.1 | | | | | | | |
| Bank balances | | - | 546 | 546 | - | - | - | - |
| Markup on bank deposit receivable | | - | 9 | 9 | - | - | - | - |
| | | - | 555 | 555 | - | - | - | - |
| Financial liabilities not measured at fair value | 17.1 | | | | | | | |
| Accrued expenses and other liabilities | | - | 55 | 55 | - | - | - | - |
| | | - | 55 | 55 | - | - | - | - |

| | | Held by Money Market Sub-Fund | | | | | | |
|---|--|--------------------------------------|-------------------|--------|------------|---------|---------|--------|
| | | September 30, 2024 (Un-audited) | | | | | | |
| | | Carrying Amount | | | Fair Value | | | |
| | | At fair value through profit or loss | At amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Note | | (Rupees in 000) | | | | | | |
| Financial assets measured at fair value | | | | | | | | |
| | GOP Ijara Sukuk | 32,457 | - | 32,457 | - | 32,457 | - | 32,457 |
| | | 32,457 | - | 32,457 | - | 32,457 | - | 32,457 |
| Financial assets not measured at fair value | | | | | | | | |
| 17.1 | Bank balances | - | 7,759 | 7,759 | - | - | - | - |
| | Markup and other receivable | - | 827 | 827 | - | - | - | - |
| | | - | 8,586 | 8,586 | - | - | - | - |
| Financial liabilities not measured at fair value | | | | | | | | |
| 17.1 | Payable to the Pension Fund Manager | - | 460 | 460 | - | - | - | - |
| | Payable to the Trustee | - | 5 | 5 | - | - | - | - |
| | Accrued expenses and other liabilities | - | 286 | 286 | - | - | - | - |
| | | - | 751 | 751 | - | - | - | - |

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

17.2 Transfers during the year

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

18 TOTAL EXPENSE RATIO

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

| | September 30, 2024 (Un-audited) | | | |
|--------------------------------|---------------------------------|-----------------|---------------|-----------------------|
| | Equity Index Sub-Fund | Equity Sub-Fund | Debt Sub-Fund | Money Market Sub-Fund |
| | ----- % ----- | | | |
| Annualized Total Expense Ratio | 0.00% | 0.00% | 0.00% | 0.83% |
| Government levy and SECP fees | 0.00% | 0.00% | 0.00% | 0.08% |
| Insurance charges | 0.00% | 0.00% | 0.00% | 0.00% |

19 DATE OF AUTHORISATION FOR ISSUE

19.1 These condensed interim financial statements were authorised for issue on April 24, 2024 by the Board of Directors of the Pension Fund Manager.

20 GENERAL

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

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

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

Chief Financial Officer

Chief Executive Officer








Director










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HBL

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