

HBL

ASSET MANAGEMENT LTD.

ایسٹٹ مینجمنٹ لمیٹڈ

AM1 (Stable Outlook) by VIS

Annual Report 2024-25

MOVING TOWARDS
EXCELLENCE

TABLE OF CONTENTS

<i>Vision / Mission</i>	3	HBL ISLAMIC STOCK FUND	
<i>Corporate Values</i>	4		
<i>Corporate Information</i>	5	<i>Fund Information</i>	122
<i>Report of the Directors of Management Company</i>	6	<i>Fund Manager's Report</i>	123
		<i>Performance Table</i>	126
		<i>Proxy Voting Disclosure</i>	127
HBL ISLAMIC MONEY MARKET FUND		<i>Trustee Report to the unit holders</i>	128
<i>Fund Information</i>	19	<i>Statement of Compliance with the Shariah Principles</i>	129
<i>Fund Manager's Report</i>	20	<i>Review Report of Shariah Advisor</i>	130
<i>Performance Table</i>	23	<i>Independent Auditors' Report to the Unit Holders</i>	131
<i>Trustee Report to the unit holders</i>	24	<i>Statement of Assets & Liabilities</i>	137
<i>Statement of Compliance with the Shariah Principles</i>	25	<i>Income Statements</i>	138
<i>Review Report of Shariah Advisor</i>	26	<i>Statement of Comprehensive Income</i>	139
<i>Independent Auditors' Report to the Unit Holders</i>	27	<i>Statement of Movement in Unit Holders' Fund</i>	140
<i>Statement of Assets & Liabilities</i>	33	<i>Cash Flow Statement</i>	141
<i>Income Statements</i>	34	<i>Note to the Financial Statements</i>	142
<i>Statement of Comprehensive Income</i>	35		
<i>Statement of Movement in Unit Holders' Fund</i>	36	HBL ISLAMIC INCOME FUND	
<i>Cash Flow Statement</i>	37	<i>Fund Information</i>	168
<i>Note to the Financial Statements</i>	38	<i>Fund Manager's Report</i>	169
		<i>Performance Table</i>	171
HBL ISLAMIC ASSET ALLOCATION FUND		<i>Trustee Report to the unit holders</i>	172
<i>Fund Information</i>	66	<i>Statement of Compliance with the Shariah Principles</i>	173
<i>Fund Manager's Report</i>	67	<i>Review Report of Shariah Advisor</i>	174
<i>Performance Table</i>	70	<i>Independent Auditors' Report to the Unit Holders</i>	175
<i>Proxy Voting Disclosure</i>	71	<i>Statement of Assets & Liabilities</i>	182
<i>Trustee Report to the unit holders</i>	72	<i>Income Statements</i>	183
<i>Statement of Compliance with the Shariah Principles</i>	73	<i>Statement of Comprehensive Income</i>	184
<i>Review Report of Shariah Advisor</i>	74	<i>Statement of Movement in Unit Holders' Fund</i>	185
<i>Independent Auditors' Report to the Unit Holders</i>	77	<i>Cash Flow Statement</i>	186
<i>Statement of Assets & Liabilities</i>	83	<i>Note to the Financial Statements</i>	187
<i>Income Statements</i>	84		
<i>Statement of Comprehensive Income</i>	85		
<i>Statement of Movement in Unit Holders' Fund</i>	86		
<i>Cash Flow Statement</i>	87		
<i>Note to the Financial Statements</i>	88		

HBL ISLAMIC EQUITY FUND

Fund Information	213
Fund Manager's Report	214
Performance Table	217
Proxy Voting Disclosure	218
Trustee Report to the unit holders	219
Statement of Compliance with the Shariah Principles	220
Review Report of Shariah Advisor	221
Independent Auditors' Report to the Unit Holders	222
Statement of Assets & Liabilities	228
Income Statements	229
Statement of Comprehensive Income	230
Statement of Movement in Unit Holders' Fund	231
Cash Flow Statement	232
Note to the Financial Statements	233

HBL LIVESTOCK FUND

Fund Information	260
Statement of Compliance with the Shariah Principles	261
Review Report of Shariah Advisor	262
Independent Auditors' Report to the Directors	263
Statement of Assets & Liabilities	269
Income Statements	270
Statement of Comprehensive Income	271
Statement of Movement in Unit Holders' Fund	272
Cash Flow Statement	273
Note to the Financial Statements	274

HBL ISLAMIC FIXED TERM FUND

Fund Information	289
Fund Manager's Report	290
Statement of Compliance with the Shariah Principles	293
Trustee Report to the unit holders	294
Independent Auditors' Report to the Directors	295
Statement of Assets & Liabilities	301
Income Statements	302
Statement of Comprehensive Income	303
Statement of Movement in Unit Holders' Fund	304
Cash Flow Statement	305
Note to the Financial Statements	306

HBL ISLAMIC SAVINGS FUND

Fund Information	323
Fund Manager's Report	324
Performance Table	327
Trustee Report to the unit holders	328
Statement of Compliance with the Shariah Principles	329
Review Report of Shariah Advisor	330
Independent Auditors' Report to the Unit Holders	331
Statement of Assets & Liabilities	336
Income Statements	337
Statement of Comprehensive Income	338
Statement of Movement in Unit Holders' Fund	339
Cash Flow Statement	340
Note to the Financial Statements	341

OUR VISION

Enabling people to
advance with
confidence and
success.

OUR MISSION

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

PROGRESSIVENESS

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

EXCELLENCE

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

INTEGRITY

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

OUR CORPORATE VALUES

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

MERITOCRACY

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

CUSTOMER FOCUS

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

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of August 28, 2025)

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

Chairman	Mr. Habib Yousuf Habib	(Independent Director)
Members	Mr. Shahid Ghaffar	(Non-Executive Director)
	Mr. Tariq Masaud	(Non-Executive Director)

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Mr. Habib Yousuf Habib	(Independent Director)
	Ms. Ava Ardeshir Cowasjee	(Non-Executive 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.hblasstet.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 together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Savings Fund, HBL Islamic Fixed Term Fund and HBL Livestock Fund (the Funds) for the year ended June 30, 2025.

ECONOMIC REVIEW

FY2025 marked a year of consolidation and recovery for Pakistan's economy, building on the stability achieved under the Standby Arrangement (SBA). The successful completion of the SBA in FY24 paved the way for a three-year Extended Fund Facility (EFF) with the IMF, which was approved in September 2024. The EFF provided continuity in policy discipline and unlocked additional bilateral and multilateral inflows, supporting external financing needs and boosting market confidence. As a result, the State Bank's reserves strengthened further, the PKR remained broadly stable, and external account pressures eased with the current account recording its first annual surplus in 14 years. The EFF program is expected to anchor long-term macroeconomic stability, enhance resilience against external shocks, and create space for sustainable and inclusive growth.

GDP growth in FY25 was recorded at 2.68% led by 4.77% growth in industries sector. The services sector grew by 2.91% while the agricultural sector posted a growth of 0.56%. The services and industrial sector posted good growth but the agricultural sector remained subdued due to weak crop growth. For FY26, government has set the GDP growth target at 4.2% based on 4.5%, 4.3% and 4.0% growth in agriculture, industrial and services growth respectively.

Pakistan posted a current account surplus of about USD 2.1bn (vs a USD 0.7bn deficit in FY24), as remittances jumped to ~USD 38.3bn and the merchandise trade deficit widened to ~USD 26.3bn on exports ~USD 32.1bn and imports ~USD 58.4bn. The swing to surplus was driven mainly by record remittances and better services receipts despite a larger goods gap.

During the outgoing fiscal year, the headline CPI averaged 4.49% YoY for Jul–Jun FY25 (vs 24% in FY24), a nine-year low, helped by a very high base, rupee stability, and softer food and fuel.

The overall fiscal deficit narrowed to ~5.4% of GDP (a multi-year low), while the primary balance recorded a surplus of ~2.4% of GDP for the full year (after a 3.0% of GDP surplus in Jul–Mar). Consolidation came from stronger tax collection, higher non-tax (notably SBP profits), contained current spending ex-interest, and undershoot on development.

STOCK MARKET REVIEW

In FY25, KMI-30 Index gained 45% YoY in PKR terms and 43% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the KMI-30 has delivered a remarkable 161% cumulative return in PKR terms and 163% in USD terms, making it one of the best-performing Shariah-compliant equity indices globally over this period.

This rally was underpinned by macroeconomic stability achieved through the IMF program, completion of the first IMF review in March 2025, aggressive monetary easing from 20.5% to 11%, Fitch's upgrade of Pakistan's credit rating from CCC+ to B-, improving macro indicators, and improved liquidity as flows shifted from fixed income to equities. As per Bloomberg data, Pakistan's market ranked as the 8th best-performing market globally in FY25 on a standalone basis with a 57% USD return, but over the two-year period, it stood out as the best performer worldwide.

The sectors that majorly contributed to the performance in FY25 were Commercial Banks (+15,155 pts), Fertilizer (+9,716 pts), Oil and Gas Exploration Companies (+6,865 pts) and Cements (+5,622 pts). Whereas script wise major contribution came from FFC (+6,305 pts), UBL (+5,305 pts), MARI (+2,648 pts), LUCK (+2,536pts) and OGDC (+2,082pts).

After peaking at 20.5%, the interest rate cycle reversed sharply in FY25, with the policy rate cut to 11% by June 2025 on the back of a drastic decline in inflation. Headline CPI has averaged in the low single digits, providing ample room for monetary easing. The successful completion of the first review under the 3-year IMF EFF program, improving macroeconomic indicators, Fitch's upgrade of Pakistan's credit rating to B-, and strong corporate earnings outlook have further strengthened investor confidence. Alongside, a weakening oil price outlook and continued multilateral and bilateral funding support are expected to sustain the positive momentum in equities.

We expect the positive momentum in Pakistan's equity markets to continue, driven by sustained monetary easing, stable macroeconomic indicators, and robust corporate earnings growth. Improving credit outlook and ongoing IMF support provide further room for market rerating. However, risks remain from geopolitical tensions, global commodity price shocks, etc.

MONEY MARKET REVIEW

During FY25, the SBP shifted to an aggressive monetary easing stance, cutting the policy rate from 20.5% at the start of the year to 11% by June 2025, as inflation declined sharply into low single digits.

The year witnessed a sharp reversal in the interest rate cycle, with money market yields declining substantially across the curve as expectations of monetary easing strengthened. After touching the highs of 23.78%, 24.51%, 24.73%, 21.16% and 17.93% in the previous year, secondary market yields have sharply retreated to 11.01%, 10.89%, 10.85%, 11.15% and 11.40% for 3M, 6M, 12M, 3Y and 5Y tenors respectively by the end of FY25.

It is also pertinent to highlight that in the Sukuk market, the government raised PKR 43.6B from Fixed Rental Rate (FRR) Sukuk against the target of PKR 75B in the June 25th auction. Yields stood at 10.86% for the 3-year Sukuk and 11.39% for the 5-year Sukuk. In the Variable Rental Rate (VRR) Sukuk auction, the government successfully raised PKR 159.9B exceeding the target of 50B. In the last fixed-rate discounted Ijara Sukuk of FY25, the government raised PKR 47.8B against the target of PKR 75B at 10.45%.

With inflation expected to remain anchored in single digits and growth still below potential, the possibility of further monetary easing in FY26 remains high.

FUTURE OUTLOOK

We believe that achieving the government's GDP growth target of 4.2% in FY26 will remain challenging. Our expectation for the GDP growth remains modest between 2.5% to 3.0% as the growth for this year will be supported by recovery in industrial and services sectors alongside improved macroeconomic stability. Agriculture is projected to grow by 2.2% on the back of better crop yields, while industry and services are expected to expand by 4.5% and 3.6%, respectively.

On the fiscal side, the deficit is anticipated at 5.2% of GDP (~PKR 5.8trn), broadly in line with the government's target, compared to significantly higher slippages seen in recent years. This will be achieved through higher revenues, with FBR collections expected to reach PKR 13.7trn (slightly below the target of PKR 14.1trn), and controlled current expenditure. The primary balance is expected to post a surplus of PKR 2.5trn, aided by strong FBR collections, petroleum levy, and SBP profits.

On the external side, the current account deficit is projected at USD 1.6bn in FY26, as a resurgence in import-driven demand outweighs gains from higher remittances and exports. The trade deficit is expected at USD 33.2bn, with imports rising due to improving aggregate demand. Remittances are projected at USD 39.2bn, up 3% YoY, supported by exchange rate stability and continued formalization of flows. FDI is also expected to pick up modestly with greater investor confidence, IMF program continuity, and privatization-related activity.

Inflation is expected to average 5.4% in FY26, a significant improvement compared to the last few years, driven by stable food and energy prices, PKR stability, and a high base effect. With inflation anchored, the SBP has already reduced the policy rate to 11.0%, providing support to private sector credit and growth revival.

On external financing, the requirement for FY26 stands at USD 17.3bn, with USD 8.1bn expected from private creditors and USD 8.9bn from program/project loans. By Jun'26, SBP reserves are expected to reach USD 14.2bn, aided by IMF inflows, bilateral/multilateral support, and rollovers. PKR is projected to average around PKR 292.3/USD during FY26.

Our outlook on Pakistan equities remains constructive, underpinned by attractive valuations, improving macroeconomic indicators, declining interest rates, and IMF program continuity. The market is trading at a P/E multiple of ~6.8x compared to a regional average of ~14.5x, and offers a compelling dividend yield of ~8% versus the regional average of ~5.5%. Hence, Pakistan equities continue to present an attractive long-term investment opportunity, although risks from global commodity shocks, geopolitical tensions, etc. should be monitored.

Fund's Performance and payouts

HBL Islamic Money Market Fund

The total income and net income of the Fund was Rs. 10.69 billion and Rs. 9.88 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 101.5544 per unit as on June 30, 2025 as compared to Rs. 101.3535 per unit as on June 30, 2024, after incorporation dividend of Rs. 13.9787 per unit, thereby giving an annualized return of 14.05%. During the year the benchmark return (90% 3 Month PKISRV & 10% 3 Month deposit rates) was 10.25%. The size of Fund was Rs. 81.76 billion as on June 30, 2025 as compared to Rs. 65.10 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed the Fund stability rating of AA+(f) to the Fund.

HBL Islamic Income Fund

The total income and net income of the Fund was Rs. 2.69 billion and Rs. 2.33 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 104.0599 per unit as on June 30, 2025 (after incorporating dividend of Rs. 13.35 per unit) as compared to Rs. 103.7234 per unit as on June 30, 2024, thereby giving an annualized return of 13.23%. During the same year the benchmark return (75% 6 Month PKISRV & 25% 6 Month Deposit rates) was 10.73%. The size of Fund was Rs. 17.57 billion as on June 30, 2025 as compared to Rs. 14.90 billion at the start of the year.

JCR-VIS Credit Rating Company Limited has reaffirmed Fund Stability Rating of A+(f) to the Fund.

HBL Islamic Stock Fund

The total and net income of the Fund was Rs. 189.44 million and Rs. 155.57 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 207.5929 per unit as on June 30, 2025 as compared to Rs. 133.6610 per unit as on June 30, 2024, thereby giving a return of 55.31% during the year, against the benchmark return (KMI 30 Index) of 46.24%. The size of Fund was Rs. 0.80 billion as on June 30, 2025 as compared to Rs. 0.14 billion at the start of the year.

HBL Islamic Equity Fund

The total income and net loss of the Fund was Rs. 42.90 million and Rs. 7.27 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 158.8867 per unit as on June 30, 2025 as compared to Rs. 111.4243 per unit as on June 30, 2024, thereby giving a return of 42.60% during the year, against the benchmark return (KMI 30 Index) of 46.24%. The size of Fund was Rs. 1.14 billion as on June 30, 2025 as compared to Rs. 0.13 billion at the start of the year.

HBL Islamic Asset Allocation Fund

Under HBL Islamic Asset Allocation Fund (HBL-IAAF), the HBL Islamic Asset Allocation Fund – Plan I (HBL IAAF-Plan-I) have been constituted on July 13, 2020 and HBL Islamic Asset Allocation Fund – Plan-II was launched on August 05, 2022.

The total and net income of the Fund including HBL IAAF Plans was Rs. 451.73 million and Rs. 394.44 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the HBL-IAAF increased from Rs. 171.1578 per unit as on June 30, 2024 to Rs. 253.2553 per unit as on June 30, 2025 (after incorporating dividend of Rs. 3.50 per unit) thereby giving a return of 50.06% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 42.97%.

The units HBL IAAF Plan-I & Plan-II were fully redeemed before the end of the year and the proceeds were paid to the investors. The Net Assets of these funds stands zero as at June 30, 2025.

The Net Assets of HBL IAAF were 0.91 billion as at June 30, 2025 as compared to 0.19 billion as at the start of the year.

HBL Islamic Savings Fund

The total and net income of the Fund was Rs. 904.50 million and Rs. 772.00 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 100.6142 per unit as on June 30, 2025 (after incorporating dividend of Rs. 12.90 per unit) as compared to Rs. 100.1648 as on June 30, 2024, thereby giving a return of 13.38% during the year, against the benchmark (90% 3 Month PKISRV & 10% 3 Month Deposit rate) return of 10.25%. The size of Fund was Rs. 5.36 billion as on June 30, 2025 as compared to Rs. 5.25 billion as at start of the year.

HBL Islamic Fixed Term Fund

The total and net income of the Fund was Rs. 237.74 million and Rs. 227.32 million respectively during the year ended June 30, 2025. The plan was fully matured before the year end and all the proceeds are paid to respective investors. The size of Fund stands Nil as on June 30, 2025 as compared to Rs. 1.67 billion as at start of the year.

HBL Livestock Fund

During the period under review, the Fund earned a total and net income of Rs. 401.45 million and Rs. 63.55 million respectively. The fund was fully matured before the year end and all the proceeds are paid to respective investors. The size of Fund stands Nil as on June 30, 2025.

Management Company Rating

The VIS Credit Rating Company Limited (VIS) has reaffirmed the management quality rating of 'AM-I' (AM-One) to the Management Company and the outlook on the assigned rating has been assessed at 'Stable'.

Auditors

The details of the retiring auditors and appointments for the year June 30, 2026 are provided in the following table.

Name of Fund	Retiring Auditors for the year ended June 30, 2025	Auditors for the year June 30, 2026	Re-appointed / New Appointment
HBL Islamic Equity Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
HBL Islamic Savings Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
HBL Livestock Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
HBL Islamic Income Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
HBL Islamic Fixed Term Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
HBL Islamic Stock Fund	A.F.Fergusons & Co., Chartered Accountants	A.F.Fergusons & Co., Chartered Accountants	Re-appointed
HBL Islamic Money Market Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Fergusons & Co., Chartered Accountants	New appointment
HBL Islamic Asset Allocation Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment

PATTERN OF UNITHOLDING

The details regarding the pattern of unit holding is provided in the respective financial statements of the Funds. Breakup of unit holding by size is provided in the relevant section of the Annual Fund Manager Report of the respective Funds.

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 and the Digital Custodian Company Limited as Trustees, the Pakistan Stock Exchange Limited and the State Bank of Pakistan.

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

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

Chief Executive Officer

میجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

ایچ بی ایل ایسیٹ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2025ء کو اختتام پزیر ہونے والی ششماہی کیلئے ایچ بی ایل اسلامک منی مارکیٹ فنڈ، ایچ بی ایل اسلامک انکم فنڈ، ایچ بی ایل اسلامک اسٹاک فنڈ، ایچ بی ایل اسلامک ایکویٹی فنڈ، ایچ بی ایل اسلامک ایسیٹ ایلویشن فنڈ، ایچ بی ایل اسلامک سیونگز فنڈ، ایچ بی ایل اسلامک فلسڈ ٹرم فنڈ اور ایچ بی ایل لائیو اسٹاک فنڈ (فنڈز) کے مالیاتی گوشوارے پیش کرتے ہوئے پُرمسرت ہیں۔

اقتصادی جائزہ:

مالی سال 2025 پاکستان کی معیشت کے لیے استحکام اور بحالی کا سال ثابت ہوا۔ یہ ترقی دراصل اس بنیاد پر قائم ہوئی جو اسٹینڈ بائی ارتھمنٹ (SBA) کے ذریعے حاصل ہونے والے استحکام سے میسر آئی۔ مالی سال 2024 میں SBA کی کامیاب تکمیل نے تین سالہ ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) کا راستہ ہموار کیا، جسے آئی ایم ایف نے ستمبر 2024 میں منظور کیا۔ EFF پروگرام نے پالیسی میں تسلسل کو یقینی بنایا اور اضافی دوطرفہ وکثیرالجہتی وسائل کے حصول کے دروازے کھولے۔ اس سے نہ صرف بیرونی مالیاتی ضروریات پوری ہوئیں بلکہ مارکیٹ کا اعتماد بھی بہتر ہوا۔ نتیجتاً اسٹیٹ بینک کے زرمبادلہ کے ذخائر مزید مضبوط ہوئے، پاکستانی روپے کی قدر بڑی حد تک مستحکم رہی اور بیرونی کھاتوں پر دباؤ نمایاں طور پر کم ہوا۔ اسی دوران 14 سال بعد پہلی مرتبہ کرنٹ اکاؤنٹ میں سالانہ سرپلس ریکارڈ کیا گیا۔ آئندہ کے لیے توقع کی جارہی ہے کہ EFF پروگرام طویل مدتی معاشی استحکام کو سہارا دے گا، بیرونی مشکلات کے مقابلے میں معیشت کی چمک بڑھائے گا اور پائیدار و سب کے لیے مساوی ترقی کے مواقع فراہم کرے گا۔

مالی سال 2025 میں جی ڈی پی کی شرح نمو 2.68 فیصد رہی، جس کی قیادت صنعتوں کے شعبے کی 4.77 فیصد ترقی نے کی۔ خدمات کا شعبہ 2.91 فیصد بڑھا جبکہ زرعی شعبہ صرف 0.56 فیصد پر محدود رہا۔ صنعت اور خدمات کے شعبے نے بہتر کارکردگی دکھائی لیکن کمزوریوں کی وجہ سے زرعی ترقی سست رہی۔ مالی سال 2026 کے لیے حکومت نے جی ڈی پی کی شرح نمو کا ہدف 4.2 فیصد رکھا ہے، جس میں زرعی شعبہ 4.5 فیصد، صنعتی شعبہ 4.3 فیصد اور خدمات کا شعبہ 4.0 فیصد نمو کا ہدف رکھتا ہے۔

پاکستان نے تقریباً 2.1 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ سرپلس ریکارڈ کیا (جبکہ مالی سال 2024 میں 0.7 بلین ڈالر کا خسارہ تھا)۔ اس بہتری کی بڑی وجہ ترسیلات زر کا بڑھ کر تقریباً 38.3 بلین ڈالر ہونا تھا۔ دوسری طرف اشیاء کی تجارت کا خسارہ تقریباً 26.3 بلین ڈالر رہا، جس میں برآمدات 32.1 بلین ڈالر اور درآمدات 58.4 بلین ڈالر رہیں۔ اس سرپلس میں تبدیلی زیادہ تر ریکارڈ ترسیلات زر اور خدمات کی بہتر آمدنی کے باعث آئی، حالانکہ اشیاء کی تجارت میں خسارہ بڑھا۔

گزشتہ مالی سال کے دوران اوسط افراط زر (CPI) جولائی تا جون 2025 میں 4.49 فیصد سال بہ سال رہی (جبکہ مالی سال 2024 میں یہ 24 فیصد تھی)۔ یہ گزشتہ نو برسوں کی کم ترین سطح ہے، جس میں بڑا کردار بلند گزشتہ بنیاد، روپے کے استحکام اور خوراک و ایندھن کی نسبتاً کم قیمتوں نے ادا کیا۔

بیرونی محاذ پر مالی سال 2026 میں کرنٹ اکاؤنٹ کا خسارہ 1.6 بلین امریکی ڈالر رہنے کا امکان ہے، کیونکہ درآمدات پر مبنی طلب میں دوبارہ اضافہ ترسیلات زر اور برآمدات میں ہونے والے اضافے سے زیادہ ہو جائے گا۔ تجارتی خسارہ 33.2 بلین ڈالر تک پہنچنے کی توقع ہے کیونکہ مجموعی طلب بہتر ہونے سے درآمدات میں اضافہ ہوگا۔ ترسیلات زر 39.2 بلین ڈالر تک پہنچنے کی توقع ہے، جو گزشتہ سال کے مقابلے میں 3 فیصد زیادہ ہوں گی، جسے آپریشن ریٹ کے استحکام اور ترسیلات کے باضابطہ ذرائع میں اضافے سے سہارا ملے گا۔ غیر ملکی سرمایہ کاری (FDI) میں بھی بتدریج بہتری کی توقع ہے، جس کی وجہ سرمایہ کاروں کے بڑھتے اعتماد، آئی ایم ایف پروگرام کے تسلسل اور نجکاری سے متعلق سرگرمیاں ہوں گی۔

مالی سال 2026 میں افراط زر اوسطاً 5.4 فیصد رہنے کی توقع ہے، جو گزشتہ چند برسوں کے مقابلے میں نمایاں بہتری ہے۔ اس کی بنیادی وجوہات میں خوراک اور توانائی کی قیمتوں کا مستحکم رہنا، روپے کا استحکام اور بلند بیس انفلیکٹ شامل ہیں۔ افراط زر قابو میں آنے کے باعث اسٹیٹ بینک نے پہلے ہی پالیسی ریٹ 11.0 فیصد تک کم کر دیا ہے، جس سے نجی شعبے کے قرضوں اور شرح نمو کی بحالی کو سہارا مل رہا ہے۔ بیرونی فنانشنگ کے حوالے سے مالی سال 2026 میں ضرورت 17.3 بلین امریکی ڈالر ہوگی، جس میں سے 8.1 بلین ڈالر نجی قرض دہندگان سے اور 8.9 بلین ڈالر پروگرام/پروجیکٹ لونز سے آنے کی توقع ہے۔ جون 2026 تک اسٹیٹ بینک کے زرمبادلہ کے ذخائر 14.2 بلین ڈالر تک پہنچنے کا امکان ہے، جسے آئی ایم ایف کی رقوم، دوطرفہ/کثیر الملکی تعاون اور رول اوور سے سہارا ملے گا۔ روپے کی اوسط شرح تبادلہ مالی سال 2026 میں تقریباً 292.3 روپے فی امریکی ڈالر رہنے کی پیش گوئی ہے۔

پاکستان کی ایکویٹی مارکیٹ پر ہمارا نقطہ نظر مثبت ہے، جو پرکشش ویلیویشنز، بہتر معاشی اشاریوں، کم ہوتی شرح سود اور آئی ایم ایف پروگرام کے تسلسل سے تقویت پاتا ہے۔ KSE-100 اس وقت فارورڈ پرائس/ارنگ ملٹی پل 6.8x~ پر ٹریڈ کر رہا ہے جو گزشتہ 15 سالہ اوسط 8.59x~ سے کم ہے، جبکہ یہ تقریباً 8 فیصد کا پرکشش ڈیویڈنڈ ییلڈ فراہم کر رہا ہے جو خطے کی اوسط 5.5 فیصد سے زیادہ ہے۔ اس طرح پاکستان کی ایکویٹیز ایک طویل المدتی سرمایہ کاری کے لیے اب بھی پرکشش موقع فراہم کرتی ہیں، تاہم عالمی کموڈٹی اور جغرافیائی سیاسی تناؤ جیسے خطرات پر نظر رکھنا ضروری ہوگا۔

فنڈ کی کارکردگی اور ادائیگیاں:

ایچ بی ایل اسلامک منی مارکیٹ فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدن 10.69 بلین روپے اور خالص آمدن 9.88 بلین روپے رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2025 کو 101.5544 روپے فی یونٹ رہی، جو 30 جون 2024 کو 101.3535 روپے فی یونٹ تھی، جس میں 13.9787 روپے فی یونٹ کا ڈیویڈنڈ شامل ہے۔ اس طرح فنڈ نے سالانہ بنیادوں پر 14.05 فیصد کا منافع دیا، جبکہ اسی مدت کے دوران بینچ مارک (تین ماہ کے PKISRV کا 90% اور 3 ماہ کا ڈپازٹ ریٹس 10%) 10.25 فیصد رہا۔ 30 جون 2025 تک فنڈ کا مجموعی حجم 81.76 بلین روپے رہا، جو سال کے آغاز میں 65.10 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی مستحکم ریٹنگ AA+(f) پر برقرار رکھی ہے۔

توقع ہے کہ پاکستان کی ایکویٹی مارکیٹس میں یہ مثبت رجحان جاری رہے گا، جسے شرح سود میں مزید کمی، مستحکم معاشی اشاریے اور کارپوریٹ آمدنی میں مضبوط اضافہ سہارا دیں گے۔ بہتر کریڈٹ آؤٹ لک اور جاری آئی ایم ایف سپورٹ مارکیٹ کی مزید بہتری کے امکانات فراہم کرتی ہیں۔ تاہم خطرات بدستور موجود ہیں جن میں جغرافیائی سیاسی کشیدگیاں، عالمی کموڈٹی قیمتوں کے جھٹکے وغیرہ شامل ہیں۔

منی مارکیٹ کا جائزہ:

مالی سال 2025 کے دوران اسٹیٹ بینک نے جارحانہ انداز میں شرح سود میں کمی کی پالیسی اختیار کی، اور سال کے آغاز پر 20.5 فیصد کی پالیسی ریٹ کو جون 2025 تک گھٹا کر 11 فیصد کر دیا، کیونکہ افراط زر تیزی سے کم ہو کر سنگل ڈجٹ کی سطح پر آگئی۔

سال کے دوران شرح سود میں اچانک کمی دیکھنے کو ملی، جس کے نتیجے میں منی مارکیٹ کے ییلڈز ہر مدت میں کافی کم ہو گئے کیونکہ سرمایہ کار توقع کر رہے تھے کہ بینک شرح سود میں مزید کمی کریں گے۔ گزشتہ سال جہاں ییلڈز 23.78%، 24.51%، 24.73%، 21.16% اور 17.93% تک پہنچ گئی تھیں، وہیں مالی سال 2025 کے آخر تک یہ 3 ماہ، 6 ماہ، 12 ماہ، 3 سال اور 5 سال کے لیے بالترتیب 11.01%، 10.89%، 10.85%، 11.15% اور 11.40% تک گر گئی۔

سکوک مارکیٹ میں، حکومت نے فکسڈ ریٹل ریٹ (FRR) سکوک سے 43.6 بلین روپے جمع کیے، جو ہدف 75 بلین روپے سے کم تھا۔ 3 سالہ سکوک کی ییلڈز 10.86% اور 5 سالہ کی 11.39% رہی۔ ویری ایبل ریٹل ریٹ (VRR) سکوک کی نیلامی میں حکومت نے 159.9 بلین روپے جمع کیے، جو 50 بلین روپے کے ہدف سے زیادہ تھا۔ مالی سال 2025 کے آخری مقررہ شرح والے اجارہ سکوک میں حکومت نے 47.8 بلین روپے جمع کیے، جبکہ ہدف 75 بلین روپے تھا، اور ییلڈز 10.45% رہی۔

افراط زر کی شرح کم اور مستحکم رہنے کی توقع کے ساتھ، اور معیشت کی ترقی ابھی اپنی مکمل صلاحیت سے کم ہونے کے باعث، مالی سال 2026 میں شرح سود میں کمی کے امکانات زیادہ ہیں۔

مستقبل کا جائزہ

ہمارا ماننا ہے کہ مالی سال 2026 میں حکومت کے مقررہ جی ڈی پی ہدف 4.2 فیصد کو حاصل کرنا ایک مشکل کام رہے گا۔ ہماری توقعات کے مطابق جی ڈی پی کی نمو 2.5 فیصد سے 3.0 فیصد کے درمیان رہ سکتی ہے، کیونکہ اس سال کی ترقی زیادہ تر صنعتی اور خدماتی شعبوں کی بحالی اور بہتر معاشی استحکام سے سہارا پائے گی۔ زرعی شعبے کی ترقی 2.2 فیصد رہنے کا اندازہ ہے، جو بہتر فصلوں کی پیداوار پر مبنی ہوگی، جبکہ صنعت اور خدمات بالترتیب 4.5 فیصد اور 3.6 فیصد بڑھنے کی توقع ہے۔

مالیاتی محاذ پر خسارہ جی ڈی پی کا 5.2 فیصد (تقریباً 5.8 ٹریلین روپے) رہنے کا امکان ہے، جو حکومت کے ہدف کے قریب ہے اور گزشتہ برسوں میں دیکھے گئے نمایاں انحرافات سے کہیں بہتر ہے۔ یہ کارکردگی زیادہ آمدنی کے ذریعے حاصل ہوگی، جہاں ایف بی آر کی وصولیاں 13.7 ٹریلین روپے تک پہنچنے کی توقع ہے (جو ہدف 14.1 ٹریلین روپے سے کم ہے)، جبکہ جاری اخراجات کو قابو میں رکھا جائے گا۔ پرائمری بیلنس کے 2.5 ٹریلین روپے کے سرپلس پر آنے کی توقع ہے، جس میں ایف بی آر کی مضبوط وصولیاں، پیٹرولیم لیوی اور اسٹیٹ بینک کے منافع کردار ادا کریں گے۔

مجموعی مالی خسارہ تقریباً 5.4 فیصد جی ڈی پی تک آگیا، جو کئی برسوں کی کم ترین سطح ہے۔ پورے سال کے دوران پرائمری بیلنس تقریباً 2.4 فیصد جی ڈی پی کے سرپلس پر یکاڑ ہوا (جبکہ جولائی تا مارچ یہ 3.0 فیصد جی ڈی پی کے سرپلس پر تھا)۔ یہ بہتری زیادہ ٹیکس وصولی، غیر ٹیکس آمدنی میں اضافے (خصوصاً اسٹیٹ بینک کے منافع)، سود کے علاوہ جاری اخراجات کو قابو میں رکھنے اور ترقیاتی اخراجات مقررہ ہدف سے کم رہنے کے باعث ممکن ہوئی۔

اسٹاک مارکیٹ کا جائزہ:

مالی سال 2025 میں KHI-30 انڈیکس نے سالانہ بنیاد پر PKR میں 45% اور USD میں 43% کا اضافہ کیا، جس سے گزشتہ سال کی شاندار کارکردگی جاری رہی۔ گزشتہ دو سالوں (مالی سال 2024 اور مالی سال 2025) میں KMI-30 نے PKR میں 161% اور USD میں 163% کا مجموعی منافع دیا، جس کے باعث اس مدت کے دوران عالمی سطح پر سب سے بہتر کارکردگی دکھانے والے شریعہ کمپلائنٹ ایکویٹی انڈیکسز میں سے ایک بن گیا۔

یہ تیزی اس معاشی استحکام کے باعث ممکن ہوئی جو آئی ایم ایف پروگرام کے ذریعے حاصل کیا گیا، مارچ 2025 میں آئی ایم ایف کے پہلے جائزے کی کامیاب تکمیل، شرح سود میں 20.5 فیصد سے 11 فیصد تک کی بڑی کمی ہوئی، فنانس کی جانب سے پاکستان کی کریڈٹ ریٹنگ میں CCC+ سے B- تک بہتری ہوئی، معاشی اشاریوں اور لیکویڈیٹی میں اضافہ ہوا، جب سرمایہ فلسفہ انکم سے ایکویٹیز کی طرف منتقل ہوا۔ بلومبرگ کے اعداد و شمار کے مطابق، مالی سال 2025 میں پاکستان کی مارکیٹ ڈالر کی بنیاد پر 57 فیصد منافع کے ساتھ دنیا کی آٹھویں بہترین مارکیٹ رہی۔ تاہم، دو سالہ مدت (مالی سال 2024 اور 2025) میں کارکردگی کے لحاظ سے پاکستان دنیا کی سب سے کامیاب مارکیٹ کے طور پر ابھری۔

مالی سال 2025 میں جن شعبوں نے سب سے زیادہ کارکردگی دکھائی ان میں کمرشل بینکس (15,155 + پوائنٹس)، فریٹلائزر (9,716 + پوائنٹس)، آئل اینڈ گیس ایکسپلوریشن کمپنیاں (6,865 + پوائنٹس) اور سیمنٹ (5,622 + پوائنٹس) شامل ہیں۔ اس دوران انفرادی کمپنیوں میں نمایاں کردار ایف ایف سی (6,305 + پوائنٹس)، یو بی ایل (5,305 + پوائنٹس)، ماری (2,648 + پوائنٹس)، لگ (LUCK) (2,536 + پوائنٹس) اور اوجی ڈی سی (2,082 + پوائنٹس) نے ادا کیا۔

شرح سود جو ایک وقت پر 20.5 فیصد کی بلند ترین سطح پر تھی، مالی سال 2025 میں نمایاں کمی کے بعد جون 2025 تک گھٹ کر 11 فیصد تک آگئی، جس کی بنیادی وجہ افراط زر میں بڑی کمی تھی۔ اوسط افراط زر سنگل ڈجٹ کی چلی سطح پر رہا، جس نے شرح سود میں کمی کی گنجائش پیدا کی۔ اس کے ساتھ ساتھ تین سالہ آئی ایم ایف EFF پروگرام کے پہلے جائزے کی کامیاب تکمیل، بہتر معاشی اشاریے، فنانس کی جانب سے پاکستان کی کریڈٹ ریٹنگ کو B- تک اپ گریڈ کرنا اور کارپوریٹ سیکٹر کی مضبوط آمدنی کے امکانات نے سرمایہ کاروں کے اعتماد کو مزید تقویت دی۔ اس کے علاوہ تیل کی قیمتوں کے کمزور امکانات اور کثیر الجہتی و دو طرفہ مالی معاونت نے ایکویٹیز میں مثبت رجحان کو سہارا دیا۔

ایچ بی ایل اسلامک انکم فنڈ:

30 جون 2025 کو ختم ہونے والی مدت کے دوران فنڈ کی کل آمدن 2.69 بلین روپے اور خالص آمدن 2.33 بلین روپے رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2025 کو 104.0599 روپے فی یونٹ رہی، (جس میں 13.35 فی یونٹ کا ڈویڈنڈ شامل ہے)، جو 30 جون 2024 کو 103.7234 روپے فی یونٹ تھی۔ اس طرح فنڈ نے سالانہ بنیادوں پر 13.23 فیصد کا منافع دیا، جبکہ اسی مدت کے دوران بینچ مارک (6 ماہ کے PKISRV کا 75% اور 6 ماہ کے بینک ڈپازٹ ریٹس 25%) 10.73 فیصد رہا۔ 30 جون 2025 تک فنڈ کا مجموعی حجم 17.57 بلین روپے روپے رہا، جو سال کے آغاز میں 14.90 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی مستحکم ریٹنگ A+(f) پر مقرر رکھی ہے۔

ایچ بی ایل اسلامک اسٹاک فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدن 189.44 بلین روپے اور خالص آمدن 155.57 بلین روپے رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2025 کو 207.5929 روپے فی یونٹ رہی، جو 30 جون 2024 کو 133.6610 روپے فی یونٹ تھی۔ اس طرح فنڈ نے دوران مدت 55.31% فیصد کا شاندار منافع دیا، جبکہ بینچ مارک (KMI-30 انڈیکس) کا منافع 46.24 فیصد رہا۔ 30 جون 2025 تک فنڈ کا مجموعی حجم 0.80 بلین روپے تک پہنچ گیا، جو سال کے آغاز میں 0.14 بلین روپے تھا۔

ایچ بی ایل اسلامک ایلیوٹی فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدن 42.90 بلین روپے اور خالص آمدن 7.27 بلین روپے رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2025 کو 158.8867 روپے فی یونٹ رہی، جو 30 جون 2024 کو 111.4243 روپے فی یونٹ تھی۔ اس طرح فنڈ نے 42.60 فیصد کا شاندار منافع دیا، جبکہ بینچ مارک (KMI-30 انڈیکس) کا منافع 46.24 فیصد رہا۔ 30 جون 2025 تک فنڈ کا مجموعی حجم 1.14 بلین روپے تک پہنچ گیا، جو سال کے آغاز میں 0.13 بلین روپے تھا۔

ایچ بی ایل اسلامک ایسیٹ ایلیوٹیشن فنڈ:

ایچ بی ایل اسلامک ایسیٹ ایلیوٹیشن فنڈ (HBL-IAAF) کے تحت ایچ بی ایل اسلامک ایسیٹ ایلیوٹیشن فنڈ - پلان I (HBL-IAAF-Plan-I) کا قیام 13 جولائی 2020 کو عمل میں آیا اور ایچ بی ایل اسلامک ایسیٹ ایلیوٹیشن فنڈ - پلان II کو 5 اگست 2022 کو لانچ کیا گیا۔

30 جون 2025 کو ختم ہونے والے دوران ایچ بی ایل اسلامک ایسیٹ ایلیوٹیشن فنڈ (HBL-IAAF) بشمول اس کے پلانز کی کل اور خالص آمدنی 451.73 بلین روپے اور 394.44 بلین روپے بالترتیب رہی۔ فنڈ کی نیٹ ایسیٹ ویلیو (NAV) 30 جون 2024 کو 171.1578 روپے فی یونٹ سے بڑھ کر 30 جون 2025 کو 253.2553 روپے فی یونٹ ہو گئی (3.50 روپے فی یونٹ کا ڈویڈنڈ شامل کرنے کے بعد)، یوں فنڈ نے دوران سال 50.06 فیصد کا منافع دیا جبکہ بینچ مارک منافع (KMII-30 انڈیکس کی یومیہ اوسط ریٹرن اور A ریٹنگ یا اس سے بہتر بینکوں کے 6 ماہ کے ڈپازٹ ریٹ کا وزن شدہ اوسط) 42.97 فیصد رہا۔

HBL-IAAF پلان I- اور پلان II کے تمام نوٹس سال کے اختتام سے قبل مکمل طور پر واپس خرید لئے گئے تھے اور حاصل شدہ رقم سرمایہ کاروں کو ادا کر دی گئی۔ 30 جون 2025 تک ان فنڈز کے خالص اثاثے صفر ہیں۔

30 جون 2025 کو HBL-IAAF کے خالص اثاثے 0.91 بلین روپے رہے، جو کہ سال کے آغاز میں 0.19 بلین روپے تھے۔

ایچ بی ایل اسلامک سیونگز فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی 904.50 بلین روپے اور خالص آمدنی 772.00 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یوٹ خالص اثاثہ جاتی قیمت (NAV) 100.6142 روپے تھی (جس میں فی یوٹ 12.90 روپے کا منافع شامل ہے)، جبکہ 30 جون 2024 کو یہ 100.1648 روپے تھی، یوں سال کے دوران منافع 13.38% رہا۔ اسی مدت میں بینچ مارک ریٹرن (390% PKISRV اور 310% ماہ ڈپازٹ ریٹ) 10.25% رہا۔ 30 جون 2025 کو فنڈ کا حجم 5.36 بلین روپے رہا، جو سال کے آغاز میں 5.25 بلین روپے تھا۔

ایچ بی ایل اسلامک فکسڈ ٹرم فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی 237.74 بلین روپے اور خالص آمدنی 227.32 بلین روپے رہی۔ پلان سال کے اختتام سے پہلے مکمل طور پر میچور ہو گیا اور حاصل شدہ رقم تمام سرمایہ کاروں کو ادا کر دی گئی۔ 30 جون 2025 کو فنڈ کا حجم صفر ہے، جو کہ سال کے آغاز میں 1.67 بلین روپے تھا۔

ایچ بی ایل لائیو اسٹاک فنڈ:

دوران جائزہ، فنڈ کی کل آمدنی 401.45 بلین روپے اور خالص آمدنی 63.55 بلین روپے رہی۔ پلان سال کے اختتام سے پہلے مکمل طور پر میچور ہو گیا اور حاصل شدہ رقم تمام سرمایہ کاروں کو ادا کر دی گئی۔ 30 جون 2025 کو فنڈ کا حجم صفر ہے۔

مینجمنٹ کمپنی ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے مینجمنٹ کمپنی کو دی جانے والی مینجمنٹ کوالٹی ریٹنگ "AM-I" (AM-ون) کی توثیق کی ہے اور دی گئی ریٹنگ کا آؤٹ لک مستحکم قرار دیا گیا ہے۔

آڈیٹرز:

ریٹائر ہونے والے آڈیٹرز اور 30 جون 2026 کو ختم ہونے والے سال کے لیے تقرریوں کی تفصیلات ذیل کے جدول میں فراہم کی گئی ہیں:

نمبر	فنڈ کا نام	30 جون 2025 کو ختم ہونے والے سال کیلئے ریٹائر ہونے والے آڈیٹرز	30 جون 2026 کو ختم ہونے والے سال کیلئے دوبارہ تقرری/نئی تقرری
۱	HBL اسلامک ایگزیٹو فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، دوبارہ تقرری
۲	HBL اسلامک سیونگز فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، دوبارہ تقرری

۳	HBL اسلامک انکم فنڈ	BDO ا. اہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	BDO ابراہیم اینڈ کمپنی، دوبارہ تقرری چارٹرڈ اکاؤنٹینٹس
۴	HBL اسلامک فکسڈ ٹرم فنڈ	BDO ا. اہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	BDO ابراہیم اینڈ کمپنی، دوبارہ تقرری چارٹرڈ اکاؤنٹینٹس
۵	HBL اسلامک اسٹاک فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، دوبارہ تقرری چارٹرڈ اکاؤنٹینٹس
۶	HBL اسلامک منی مارکیٹ فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، دوبارہ تقرری چارٹرڈ اکاؤنٹینٹس
۷	HBL اسلامک ایسیٹ الیویشن فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، دوبارہ تقرری چارٹرڈ اکاؤنٹینٹس

یونٹ ہولڈنگ کا پیٹرن:

یونٹ ہولڈنگ کے پیٹرن سے متعلق تفصیلات متعلقہ فنڈز کے مالی بیانات میں فراہم کی گئی ہیں۔ یونٹ ہولڈنگ کے حجم کے اعتبار سے بریک اپ متعلقہ فنڈ مینیجر کی سالانہ رپورٹ کے مخصوص حصے میں دیا گیا ہے۔

اظہار تشکر:

بورڈ اپنے معزز یونٹ ہولڈرز کا تہ دل سے شکریہ ادا کرتا ہے جنہوں نے ہم پر اپنے اعتماد اور تعاون کا اظہار کیا۔ ہم سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان، ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ بطور سٹیز، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کے قیمتی تعاون اور رہنمائی کو قدر کی نگاہ سے دیکھتے ہیں۔

مزید برآں، بورڈ اپنی ٹیم کی انتھک محنت، لگن اور پیشہ ورانہ مہارت کو سراہتے ہوئے ان کے غیر معمولی کردار پر بھی ان کا شکریہ ادا کرتا ہے جو فنڈ کی کامیابی میں کلیدی حیثیت رکھتا ہے۔

از طرف بورڈ

ایچ بی ایل ایسیٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر



HBL Islamic Money Market Fund

FUND INFORMATION

NAME OF FUND	HBL ISLAMIC MONEY MARKET FUND
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF AUDITORS	A.F. Ferguson & Co.
NAME OF SHARIAH ADVISORS	Al - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Habib Bank Limited Askari Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited Allied Bank Limited Faysal Bank Limited Bank Alfalah Limited Meezan Bank Limited National Bank Limited United Bank Limited MCB Bank limited Dubai Islamic Bank Soneri Bank limited
FUND RATING	AA+(f) (JCR-VIS)

Type and Category of Fund

Open end Islamic Money Market Fund

Investment Objective and Accomplishment of Objective

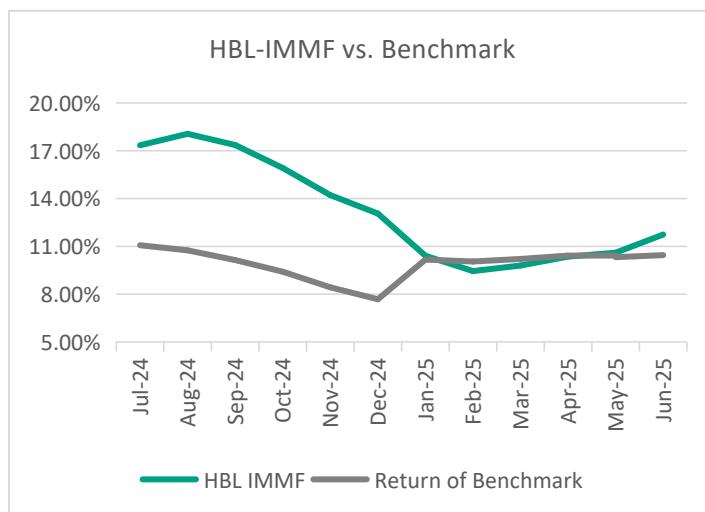
The investment objective of the Fund is to seek high liquidity, competitive return and maximum possible preservation of Capital for investors by investing in low risk Shariah Compliant securities. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

The comparison of the fund return with benchmark is given below:

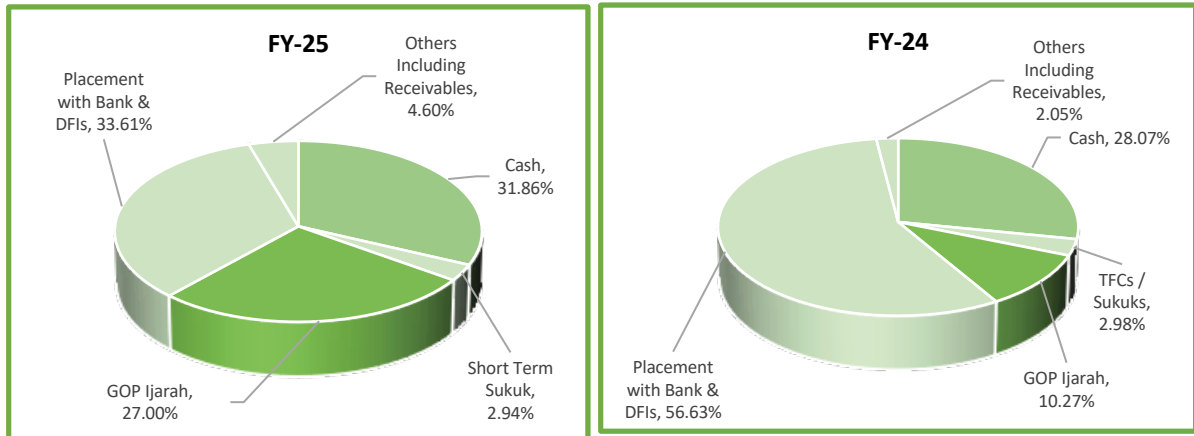
Month	Return of Fund	
	HBL -IMMF	Benchmark
Jun-25	11.74%	10.45%
May-25	10.60%	10.32%
Apr-25	10.36%	10.42%
Mar-25	9.80%	10.21%
Feb-25	9.45%	10.05%
Jan-25	10.41%	10.17%
Dec-24	13.06%	7.68%
Nov-24	14.22%	8.43%
Oct-24	15.92%	9.41%
Sep-24	17.36%	10.14%
Aug-24	18.06%	10.75%
Jul-24	17.35%	11.07%



Strategies and Policies employed during the Period

The Fund remained majorly invested as placements with Islamic Banks/DFIs and in bank deposits owing to attractive rates. During the year investment in short term Islamic commercial papers and Sukuks assisted the fund manager to support the bottom line of the fund. However, this mode of investment is limited to a few issuers because Money Market Schemes have duration and rating limitations. At the end of the period, asset allocation comprised of 31.86% investment in Daily Product Accounts, 33.61% placement with banks and DFIs, and remaining 29.94% in GoP Ijara Sukuk and short term Sukuk. Going forward, we will explore further options to invest the funds in shorter duration placement opportunities to augment the returns.

Asset Allocation



Fund Performance

The total income and net income of the Fund was Rs. 10.69 billion and Rs. 9.88 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 101.5544 per unit as on June 30, 2025 as compared to Rs. 101.3535 per unit as on June 30, 2024, after incorporation dividend of Rs. 13.9787 per unit, thereby giving an annualized return of 14.05%. During the year the benchmark return (3 Month bank deposit rates) was 10.25%. The size of Fund was Rs. 81.76 billion as on June 30, 2025 as compared to Rs. 65.10 billion at the start of the year.

Money Market Review

During FY25, the SBP shifted to an aggressive monetary easing stance, cutting the policy rate from 20.5% at the start of the year to 11% by June 2025, as inflation declined sharply into low single digits.

The year witnessed a sharp reversal in the interest rate cycle, with money market yields declining substantially across the curve as expectations of monetary easing strengthened. After touching the highs of 23.78%, 24.51%, 24.73%, 21.16% and 17.93% in the previous year, secondary market yields have sharply retreated to 11.01%, 10.89%, 10.85%, 11.15% and 11.40% for 3M, 6M, 12M, 3Y and 5Y tenors respectively by the end of FY25.

It is also pertinent to highlight that in the Sukuk market, the government raised PKR 43.6B from Fixed Rental Rate (FRR) Sukuk against the target of PKR 75B in the June 25th auction. Yields stood at 10.86% for the 3-year Sukuk and 11.39% for the 5-year Sukuk. In the Variable Rental Rate (VRR) Sukuk auction, the government successfully raised PKR 159.9B exceeding the target of 50B. In the last fixed-rate discounted Ijara Sukuk of FY25, the government raised PKR 47.8B against the target of PKR 75B at 10.45%.

With inflation expected to remain anchored in single digits and growth still below potential, the possibility of further monetary easing in FY26 remains high.

Distribution

The Fund has distributed cash dividend up-to Rs. 13.98 per unit for the year ended June 30, 2025.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the period under review.

Breakdown of Unit Holding by Size

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	5,866	75,912
101 – 500	649	149,581
501 – 1,000	200	145,372
1,001 – 10,000	738	3,454,062
10,001 – 100,000	1,241	50,522,642
100,001 – 500,000	96	70,372,467
500,001 – 1,000,000	474	108,482,654
1,000,001 – 5,000,000	68	137,901,344
5,000,001 and above	22	434,018,156
Total	9,354	805,122,190

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE –
HBL ISLAMIC MONEY MARKET FUND
As at June 30, 2025

	2025	2024	2023	2022	2021	2020
Net assets at the period end(Rs'000)	81,763,705	65,102,053	44,532,740	15,540,463	6,640,304	8,423,242
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	101.5544	101.3535	101.3883	101.2171	101.1940	101.1744
Offer	102.7223	102.4988	102.5340	102.3609	102.3375	102.3177
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	116.1549	102.3177	102.3177	102.3177	102.9680	103.2023
Lowest offer price per unit	102.3177	102.3177	102.3177	102.3177	101.1744	102.1381
Highest redemption price per unit	114.8343	101.1744	101.1744	101.1744	101.8175	102.0491
Lowest redemption price per unit	101.1744	101.1744	101.1744	101.1744	101.1744	100.9968
RETURN (%)						
Total return	14.05%	21.98%	17.24%	9.99%	6.47%	11.38%
Income distribution	13.79%	19.48%	15.74%	9.50%	6.26%	10.66%
Capital growth	0.26%	2.50%	1.50%	0.49%	0.21%	0.72%
DISTRIBUTION						
Final dividend distribution- Rs	13.9787	19.7523	15.9328	9.6178	6.3321	10.7689
Date of Income Distribution	Different Dates	Different Dates	Different Dates	Different Dates	Different Dates	Different Dates
Total dividend distribution for the year/ period	13.98	19.75	15.93	9.62	6.33	10.77
AVERAGE RETURNS (%)						
Average annual return 1 year	14.05%	21.98%	17.24%	9.99%	6.47%	11.38%
Average annual return 2 year	17.95%	19.59%	13.56%	8.22%	8.90%	9.73%
Average annual return 3 year	17.71%	16.30%	11.14%	9.26%	8.63%	7.90%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	31.86%	28.07%	60.79%	86.09%	77.27%	87.62%
Commercial paper	0.00%	0.00%	0.00%	6.63%	12.48%	3.75%
Placement with Banks and DFIs	33.61%	56.63%	26.80%	0.00%	0.00%	0.00%
GoP Ijarah	27.00%	10.27%	0.00%	0.00%	0.00%	0.00%
TFCs / Sukuks	2.94%	2.98%	10.63%	5.91%	8.99%	7.99%
Others	4.59%	2.05%	1.78%	1.37%	1.26%	0.64%

Note:

The Launch date of the Fund is May 10, 2011

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shahr-e-Faisal
Karachi - 74400, Pakistan
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TRUSTEE REPORT TO THE UNIT HOLDERS



HBL ISLAMIC MONEY MARKET FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025





ASSET MANAGEMENT LTD.
ایس ایٹ مینجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Money Market Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office:
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

MAN (021) 111-425-262
Fax (021) 35168455
www.hblasst.com

September 23, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Money Market Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive

**INDEPENDENT AUDITOR'S REPORT****To the Unit holders of HBL Islamic Money Market Fund****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of HBL Islamic Money Market Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 and 6 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The bank balances and investments of the Fund as at June 30, 2025, amounted to Rs. 26,641.638 million and Rs. 55,914.660 million respectively. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025, was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2025, and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • obtained bank reconciliation statements and tested reconciling items on a sample basis.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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A.F. FERGUSON & CO.

Other Matter

The financial statements of the Fund for the year ended June 30, 2024 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2024.

Other Information

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

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

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

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

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

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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A.F. FERGUSON & CO.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- b) proper books and records have been kept by the Collective Investment Scheme and the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.
A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 26, 2025

UDIN: AR202510061B7f4gpx0

HBL Islamic Money Market Fund

Statement of Assets and Liabilities

As at June 30, 2025

	Note	2025	2024
		----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	26,641,638	18,587,915
Investments	6	55,914,660	46,501,577
Profit receivable	7	369,327	391,861
Deposits, prepayments and other receivables	8	38,147	37,851
Total assets		82,963,772	65,519,204
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	9	62,654	65,275
Payable to Central Depository Company of Pakistan Limited - Trustee	10	3,997	3,497
Payable to the Securities and Exchange Commission of Pakistan	11	4,758	4,199
Accrued expenses and other liabilities	12	1,103,278	342,279
Payable against redemption of units		18,346	-
Advance against issuance of units		7,034	1,901
Total liabilities		1,200,067	417,151
NET ASSETS		<u>81,763,705</u>	<u>65,102,053</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>81,763,705</u>	<u>65,102,053</u>
CONTINGENCIES AND COMMITMENTS	13		
		----- (Number of units) -----	
NUMBER OF UNITS IN ISSUE	18	<u>805,122,190</u>	<u>642,326,837</u>
		----- (Rupees) -----	
NET ASSET VALUE PER UNIT		<u>101.5544</u>	<u>101.3535</u>

The annexed notes from 1 to 29 form an integral part of these financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

Income Statement

For the year ended June 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
INCOME			
Profit on savings accounts		1,859,753	3,058,279
Profit on government securities		2,387,878	-
Profit on Islamic term deposit receipts and certificate of musharakah		2,500,568	6,340,768
Profit on bai muajjal		3,671,954	2,197,828
Profit on corporate sukuk certificates		260,930	1,031,694
Loss on sale of investments - net		(29,515)	(1,962)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.6	35,271	21,750
Total income		10,686,839	12,648,357
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	9.1 & 9.2	695,257	480,436
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	10.1 & 10.2	49,550	37,470
Fee to the Securities and Exchange Commission of Pakistan		58,754	45,093
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh Sales Tax)	9.3	-	51,798
Selling and marketing expenses (including Sindh Sales Tax)	9.4	-	45,734
Auditors' remuneration	14	1,249	566
Settlement and bank charges		2,019	4,109
Fee and subscription		675	652
Printing and stationery		185	127
Total expenses		807,689	665,985
Net income for the year before taxation		9,879,150	11,982,372
Taxation	16	-	-
Net income for the year after taxation		9,879,150	11,982,372
Allocation of net income for the year			
Net income for the year after taxation		9,879,150	11,982,372
Income already paid on redemption of units		(7,508,841)	-
		2,370,309	11,982,372
Accounting income available for distribution			
- Relating to capital gains		1,381	-
- Excluding capital gains		2,368,928	11,982,372
		2,370,309	11,982,372

The annexed notes from 1 to 29 form an integral part of these financial statements

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

Chief Financial Officer

Chief Executive Officer

Director

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	9,879,150	11,982,372
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>9,879,150</u>	<u>11,982,372</u>

The annexed notes from 1 to 29 form an integral part of these financial statements

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

Statement of Movement in Unit Holders' Fund

For the year ended June 30, 2025

	2025			2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)						
Net assets at the beginning of the year	64,966,613	135,440	65,102,053	44,418,371	114,369	44,532,740
Issuance of 2,152,347,125 units (2024: 1,778,374,910 units)						
- Capital value (at net asset value per unit at the beginning of the year)	218,147,914	-	218,147,914	180,306,409	-	180,306,409
- Element of income / (loss)	11,968,063	-	11,968,063	(380,394)	-	(380,394)
Total proceeds on issuance of units	230,115,977	-	230,115,977	179,926,015	-	179,926,015
Redemption of 1,989,551,772 units (2024: 1,575,277,679 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(201,648,036)	-	(201,648,036)	(159,714,725)	-	(159,714,725)
- Element of (loss) / income	(10,454,615)	(7,508,841)	(217,621,940)	336,952	-	336,952
Total payments on redemption of units	(212,102,651)	(7,508,841)	(219,611,492)	(159,377,773)	-	(159,377,773)
Total comprehensive income for the year	-	9,879,150	9,879,150	-	11,982,372	11,982,372
Refund of capital	(1,491,924)	-	(1,491,924)	-	-	-
Distribution for the year ended June 30, 2025						
- Rs. 13.75 per unit declared on June 23, 2025	-	(2,083,159)	(2,083,159)	-	-	-
- Re. 0.2287 per unit declared on July 2, 2024	-	(146,900)	(146,900)	-	-	-
Distributions For the year ended June 30, 2025	-	-	-	-	(11,961,301)	(11,961,301)
Net assets at the end of the year	<u>81,488,015</u>	<u>275,690</u>	<u>81,763,705</u>	<u>64,966,613</u>	<u>135,440</u>	<u>65,102,053</u>
Undistributed income brought forward comprising of:						
- Realised income	113,690			114,369		
- Unrealised income	21,750			-		
	135,440			114,369		
Accounting income available for distribution						
- Relating to capital gains	1,381			-		
- Excluding capital gains	2,368,928			11,982,372		
	2,370,309			11,982,372		
Distributions during the year	(2,230,059)			(11,961,301)		
Undistributed income carried forward	<u>275,690</u>			<u>135,440</u>		
Undistributed income carried forward comprising of:						
- Realised income	240,419			113,690		
- Unrealised income	35,271			21,750		
	<u>275,690</u>			<u>135,440</u>		
	(Rupees)			(Rupees)		
Net assets value per unit at the beginning of the year	<u>101.3535</u>			<u>101.3883</u>		
Net assets value per unit at the end of the year	<u>101.5544</u>			<u>101.3535</u>		

The annexed notes from 1 to 29 form an integral part of these financial statements

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Money Market Fund

Cash Flow Statement

For the year ended June 30, 2025

	Note	2025 ----- (Rupees in '000) -----	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		9,879,150	11,982,372
Adjustments for:			
Profit on savings accounts		(1,859,753)	(3,058,279)
Profit on government securities		(2,387,878)	-
Profit on Islamic term deposit receipts and certificate of musharakah		(2,500,568)	(6,340,768)
Profit on bai muajjal		(3,671,954)	(2,197,828)
Profit on corporate sukuk certificates		(260,930)	(1,031,694)
Loss on sale of investments - net		29,515	1,962
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	6.6	(35,271) (807,689)	(21,750) (665,985)
Increase in assets			
Investments - net		(39,499,474)	(11,538,918)
Deposits, prepayments and other receivables		(296)	(15,832)
		(39,499,770)	(11,554,750)
Increase / (decrease) in liabilities			
Payable to HBL Asset Management Limited - Management Company		(2,621)	26,500
Payable to Central Depository Company of Pakistan Limited - Trustee		500	1,357
Payable to the Securities and Exchange Commission of Pakistan		559	(3,296)
Accrued expenses and other liabilities		760,999	(789,134)
		759,437	(764,573)
Profit received on savings accounts and investments		10,703,617	12,786,320
Net cash used in operating activities		(28,844,405)	(198,988)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		230,121,110	179,927,916
Payment against redemption and conversion of units		(219,593,146)	(159,377,773)
Dividend paid		(3,721,983)	(11,961,301)
Net cash generated from financing activities		6,805,981	8,588,842
Net (decrease) / increase in cash and cash equivalents		(22,038,424)	8,389,854
Cash and cash equivalents at the beginning of the year		48,680,062	40,290,208
Cash and cash equivalents at the end of the year	17	26,641,638	48,680,062

The annexed notes from 1 to 29 form an integral part of these financial statements

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

Chief Financial Officer

Chief Executive Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 23, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 10, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.2** The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi, Pakistan.
- 1.3** The Fund is an open ended mutual fund categorised as 'Money Market Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.
- 1.4** The principal objective of the Fund is to seek high liquidity and comparative return for investors by investing in low risk securities of shorter duration and maturity.
- 1.5** VIS Credit Rating Company Limited (VIS) has assigned the Management Quality Rating to 'AM1' dated December 31, 2024 (2024: 'AM1' dated December 29, 2023) and the outlook on the rating has been assigned as 'Stable' (2024: 'Stable') and the Fund stability rating of AA+(f) dated March 3, 2025 (2024: AA+(f) dated January 2, 2024). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund are in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor and are accounted for on substance rather than the form prescribed by the earlier referred guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, requirements of the Trust Deed and the NBFC Regulations differ from the IFRS Accounting Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirement of the Trust Deed have been followed.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been disclosed in these financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for the following:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB, IFRS 18 is yet to be applicable in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective from January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.3 and 6) and provision for Federal excise duty (note 12.1).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for certain investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

4.1 The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

4.2 Cash and cash equivalents

These comprise balances with banks, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

4.3 Financial assets

4.3.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.3.2 Classification and subsequent measurement

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 (FVOCI); and
- at fair value through profit or loss (FVTPL).

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVTPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVTPL.

4.3.3 Impairment (other than debt securities)

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.3.4 Impairment loss on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on the management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial condition of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company. The provisioning policy approved by the Board of Directors has also been placed on the Management Company's website as required under the SECP's circular.

4.3.5 Regular way contracts

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

4.3.6 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risk and rewards of ownership and the fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.4 Financial liabilities

4.4.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

4.4.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.5 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.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

4.6 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.

4.7 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 net assets of the Fund by the number of units in circulation at the year end.

4.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours of the day when the application is received. The offer price represents the Net Asset Value (NAV) of the units as of the close of that business day plus the allowable sales load, provision for duties and charges and provision for transaction costs, if applicable.

Units redeemed are recorded at the redemption price prevalent on the date on which the distributors receive redemption applications during business hours on that date. The redeemed price represents the NAV per unit less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 Distributions to unit holders

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

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

4.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income / (loss) is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place.
- Income on sukuk certificates, certificates of musharakah, GoP ijarah sukuks, bai muajjal and Islamic term deposit receipts is recognised on a time proportionate basis using the effective yield method.
- "Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the year in which these arise."
- Profit on bank balances is recognised on time proportion basis using the effective yield method.

4.12 Expenses

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

4.13 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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.

5	BANK BALANCES	Note	2025	2024
			----- (Rupees in '000) -----	
	Balances with banks in:			
	Savings accounts	5.1	26,641,638	18,587,915

5.1 These include a balance of Rs. 8,200.331 million (2024: Rs.1,844.737 million) with Habib Bank Limited (a related party) and this account carries profit at the rate of 11.11% (2024: 17.50% to 19.90%). Other savings accounts of the Fund carry profit at the rates ranging from 9.00% to 10.40% (2024: 6.00% to 21.35%) per annum.

6	INVESTMENTS	Note	2025	2024
			----- (Rupees in '000) -----	
	At fair value through profit or loss			
	- GoP ijarah sukuku	6.1	23,583,588	6,805,258
	- Corporate sukuk certificates	6.2	2,564,000	1,972,000
	- Bai muajjal	6.3	29,767,072	7,632,172
	- Islamic term deposit receipts	6.4	-	9,971,000
	- Certificate of musharakah	6.5	-	20,121,147
			55,914,660	46,501,577

6.1 GoP ijarah sukuku

Tenure	Issue date	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised appreciation / (diminution) as at June 30, 2025	Market value as a percentage of	
											Net assets of the Fund	Total investments of the Fund
											----- % -----	
											----- (Rupees in '000) -----	
											----- % -----	
1 Year	January 24, 2024	January 23, 2025	19.50%	352,382	-	352,382	-	-	-	-	-	-
1 Year	April 25, 2024	April 24, 2025	18.38%	1,200,000	-	1,200,000	-	-	-	-	-	-
1 Year	July 26, 2024	July 25, 2025	17.20%	-	600,000	-	600,000	2,971,003	2,981,700	10,697	3.65%	5.33%
1 Year	September 18, 2024	September 17, 2025	15.00%	-	50,001	-	50,001	243,029	244,650	1,621	0.30%	0.44%
5 Years	July 29, 2020	September 29, 2025	8.37%	-	5,000	-	5,000	494,645	498,400	3,755	0.61%	0.89%
5 Years	July 29, 2020	September 29, 2025	11.20%	-	41,350	-	41,350	4,131,132	4,135,420	4,288	5.06%	7.40%
1 Year	October 21, 2024	October 20, 2025	11.80%	-	25,000	-	25,000	121,002	121,424	422	0.15%	0.22%
1 Year	November 7, 2024	November 6, 2025	11.00%	-	1,250,000	-	1,250,000	6,032,791	6,043,125	10,334	7.39%	10.81%
1 Year	December 4, 2024	December 3, 2025	11.00%	-	600,000	-	600,000	2,874,531	2,874,300	(231)	3.52%	5.14%
1 Year	January 9, 2025	January 8, 2026	10.42%	-	37,400	-	37,400	177,763	177,949	186	0.22%	0.32%
1 Year	May 2, 2025	May 1, 2026	10.86%	-	200,000	-	200,000	918,396	917,800	(596)	1.12%	1.64%
1 Year	May 30, 2025	May 29, 2026	10.25%	-	-	-	-	5,584,025	5,588,820	4,795	6.84%	10.00%
5 Years	May 29, 2020	May 29, 2025	12.72%	-	43,850	43,850	-	-	-	-	-	-
Total as at June 30, 2025								23,548,317	23,583,588	35,271		
Total as at June 30, 2024								6,783,508	6,805,258	21,750		

6.2 Corporate sukuk certificates

Name of the security	Maturity date	Profit rate	As at July 1, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	----- As at June 30, 2025 -----			Percentage in relation to	
							Carrying value	Market value	Unrealised appreciation	Net assets of the Fund	Total investments of the Fund
			----- Number of certificates -----						----- (Rupees in '000) -----		
POWER GENERATION & DISTRIBUTION											
K- Electric Limited PPSTS-28 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	February 5, 2025	19.57%	-	1,000	1,000	-	-	-	-	-	-
K- Electric Limited PPSTS-29 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	March 24, 2025	12.35%	-	192	192	-	-	-	-	-	-
Lucky Electric Power Company Limited PPSTS-16 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	August 15, 2024	21.58%	1,000	-	1,000	-	-	-	-	-	-
Lucky Electric Power Company Limited PPSTS-20 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	February 17, 2025	13.79%	-	750	750	-	-	-	-	-	-
TELECOMMUNICATION											
Pakistan Telecommunication Company Limited STS II (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	July 18, 2024	20.88%	972	-	972	-	-	-	-	-	-
Pakistan Telecommunication Company Limited STS XII (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	December 18, 2025	11.05%	-	650	-	650	650,000	650,000	-	0.79%	1.16%
Pakistan Telecommunication Corporation STS XI (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	September 19, 2025	12.12%	-	200	-	200	200,000	200,000	-	0.24%	0.36%
PHARMACEUTICALS											
Aspin Pharma Private Limited APPLSTS1 (A1, VIS) (Face value of Rs. 1,000,000 per certificate)	July 06, 2025	12.88%	-	300	-	300	300,000	300,000	-	0.37%	0.54%
CHEMICALS											
Engro Fertilizers Limited EFLSCG (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	November 14, 2025	11.26%	-	1,414	-	1,414	1,414,000	1,414,000	-	1.73%	2.53%
Total as at June 30, 2025							2,564,000	2,564,000	-	3.1%	4.6%
Total as at June 30, 2024							1,972,000	1,972,000	-		

6.3 Bai muajjal

Name of the investee institution	Maturity date	Profit rate	As at June 30, 2025				Percentage in relation to	
			Total transaction price	Deferred income	Accrued profit	Carrying value	Net assets of the Fund	Total investments of the Fund
			----- (Rupees in '000) -----				----- % -----	
COMMERCIAL BANKS								
Askari Bank Limited	December 19, 2024	15.50%	2,097,299	-	-	-	-	-
Askari Bank Limited	November 15, 2024	16.00%	3,505,596	-	-	-	-	-
Askari Bank Limited	January 17, 2025	14.75%	3,254,996	-	-	-	-	-
Al Baraka Bank (Pakistan Limited)	February 6, 2025	13.25%	2,081,621	-	-	-	-	-
UBL Ameen Bank Limited	February 7, 2025	13.25%	3,120,182	-	-	-	-	-
Al Baraka Bank (Pakistan Limited)	February 7, 2025	13.25%	2,079,251	-	-	-	-	-
Askari Bank Limited	February 21, 2025	13.30%	4,166,244	-	-	-	-	-
UBL Ameen Bank Limited	January 24, 2025	13.40%	1,038,899	-	-	-	-	-

Name of the investee institution	Maturity date	Profit rate	As at June 30, 2025				Percentage in relation to	
			Total transaction price	Deferred income	Accrued profit	Carrying value	Net assets of the Fund	Total investments of the Fund
			(Rupees in '000)				%	
Askari Bank Limited	February 26, 2025	13.30%	886,881	-	-	-	-	-
Askari Bank Limited	March 17, 2025	12.10%	2,064,219	-	-	-	-	-
Askari Bank Limited	March 19, 2025	12.10%	2,065,654	-	-	-	-	-
HBL Islamic Bank Limited	February 28, 2025	12.00%	6,197,118	-	-	-	-	-
HBL Islamic Bank Limited	March 7, 2025	12.00%	2,721,825	-	-	-	-	-
UBL Ameen Bank Limited	February 10, 2025	12.00%	2,087,263	-	-	-	-	-
UBL Ameen Bank Limited	April 17, 2025	11.60%	2,126,390	-	-	-	-	-
UBL Ameen Bank Limited	April 24, 2025	11.60%	1,065,226	-	-	-	-	-
Askari Bank Limited	April 30, 2025	11.40%	4,109,208	-	-	-	-	-
UBL Ameen Bank Limited	April 14, 2025	11.65%	1,018,516	-	-	-	-	-
UBL Ameen Bank Limited	May 14, 2025	11.50%	2,143,320	-	-	-	-	-
UBL Ameen Bank Limited	May 19, 2025	11.50%	2,146,817	-	-	-	-	-
UBL Ameen Bank Limited	April 17, 2025	11.65%	2,125,218	-	-	-	-	-
UBL Ameen Bank Limited	May 20, 2025	11.50%	2,147,408	-	-	-	-	-
UBL Ameen Bank Limited	April 21, 2025	11.65%	2,128,852	-	-	-	-	-
Askari Bank Limited	May 26, 2025	11.60%	2,153,254	-	-	-	-	-
Askari Bank Limited	May 29, 2025	11.60%	1,064,924	-	-	-	-	-
Askari Bank Limited	June 26, 2025	11.70%	3,663,718	-	-	-	-	-
UBL Ameen Bank Limited	July 18, 2025	11.70%	2,728,337	77,330	62,883	2,713,891	3.32%	4.85%
UBL Ameen Bank Limited	July 21, 2025	11.70%	2,184,853	61,926	48,316	2,171,243	2.66%	3.88%
Askari Bank Limited	July 23, 2025	10.83%	1,581,815	28,121	17,979	1,571,673	1.92%	2.81%
UBL Ameen Bank Limited	July 25, 2025	11.70%	1,055,414	29,914	22,024	1,047,525	1.28%	1.87%
Askari Bank Limited	July 28, 2025	10.83%	2,112,192	38,758	22,148	2,095,581	2.56%	3.75%
Askari Bank Limited	August 15, 2025	10.80%	4,247,894	113,762	58,716	4,192,848	5.13%	7.50%
DEVELOPMENT FINANCIAL INSTITUTIONS								
Pak Brunei Investment Company Limited	July 12, 2024	21.15%	6,165,352	-	-	-	-	-
Pak Brunei Investment Company Limited	July 15, 2024	21.05%	1,516,622	-	-	-	-	-
Pak Brunei Investment Company Limited	September 12, 2024	18.50%	2,485,794	-	-	-	-	-
Pak Brunei Investment Company Limited	September 13, 2024	18.50%	3,853,066	-	-	-	-	-
Pak Oman Investment Company Limited	September 13, 2024	18.50%	6,381,654	-	-	-	-	-
Saudi Pak Industrial And Agricultural Investment Company Limited	September 20, 2024	18.50%	2,043,863	-	-	-	-	-
Pak Brunei Investment Company Limited	September 20, 2024	18.50%	3,315,581	-	-	-	-	-
Pak Oman Investment Company Limited	November 5, 2024	16.60%	8,497,863	-	-	-	-	-
Pak Brunei Investment Company Limited	November 8, 2024	16.65%	5,127,038	-	-	-	-	-
Pak Brunei Investment Company Limited	November 8, 2024	16.60%	3,575,756	-	-	-	-	-
Saudi Pak Industrial And Agricultural Investment Company Limited	November 5, 2024	16.70%	2,040,080	-	-	-	-	-
Saudi Pak Industrial And Agricultural Investment Company Limited	December 17, 2024	14.00%	1,553,279	-	-	-	-	-
Pak Oman Investment Company Limited	February 6, 2025	13.25%	2,081,828	-	-	-	-	-
Pak Brunei Investment Company Limited	February 7, 2025	13.25%	1,694,844	-	-	-	-	-
Pak Oman Investment Company Limited	February 17, 2025	13.45%	4,174,304	-	-	-	-	-
Pak Oman Investment Company Limited	February 18, 2025	13.45%	756,858	-	-	-	-	-
Pak Oman Investment Company Limited	February 20, 2025	13.30%	1,041,197	-	-	-	-	-
Pak Oman Investment Company Limited	January 21, 2025	13.45%	6,296,707	-	-	-	-	-
Pak Qatar Company Limited	February 10, 2025	12.00%	1,031,230	-	-	-	-	-
Pak Qatar Company Limited	April 11, 2025	11.55%	1,762,848	-	-	-	-	-
Pak Oman Investment Company Limited	March 24, 2025	11.60%	5,185,925	-	-	-	-	-
Pak Oman Investment Company Limited	March 21, 2025	11.75%	5,245,237	-	-	-	-	-
Pak Oman Investment Company Limited	May 29, 2025	11.60%	2,155,436	-	-	-	-	-
Pak Oman Investment Company Limited	June 13, 2025	11.75%	3,103,953	-	-	-	-	-
Pak Brunei Investment Company Limited	August 21, 2025	10.85%	5,222,299	140,488	63,446	5,145,258	6.29%	9.20%
Pak Oman Investment Company Limited	August 22, 2025	10.85%	5,622,697	146,292	61,640	5,538,045	6.77%	9.90%
Pak Oman Investment Company Limited	August 29, 2025	10.75%	5,382,090	140,482	49,400	5,291,008	6.47%	9.46%
Total as at June 30, 2025				777,073	406,552	29,767,072		
Total as at June 30, 2024				49,802	211,498	7,632,172		

6.4 Islamic term deposit receipts

Name of the investee bank	Profit rate	As at July 1, 2024	Placed during the year	Matured during the year	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Market value as a percentage of	
							Net assets of the Fund	Total investments of the Fund
	----	----	(Rupees in '000)				----	
		----					----	
COMMERCIAL BANKS								
Bank Alfalah Limited (AAA, PACRA)	19.75%	1,000,000	-	1,000,000	-	-	-	-
Askari Bank Limited (AA+, PACRA)	19.60%	8,971,000	-	8,971,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	19.20%	-	1,000,000	1,000,000	-	-	-	-
Askari Bank Limited (AA+, PACRA)	17.80%	-	9,200,000	9,200,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	18.25%	-	1,016,715	1,016,715	-	-	-	-
Askari Bank Limited (AA+, PACRA)	17.80%	-	8,200,000	8,200,000	-	-	-	-
Total as at June 30, 2025					-	-		
Total as at June 30, 2024					9,971,000	9,971,000		

6.5 Certificate of musharakah

Name of the investee institution	Issue date	Maturity date	Profit rate	As at July 1, 2024	Placed during the year	Matured during the year	Carrying value as at June 30, 2025	Percentage in relation to	
							Net assets of the Fund	Total investments of the Fund	
			-----%-----	(Rupees in '000)				-----%-----	
Pak Kuwait Investment Company Limited	June 14, 2024	July 15, 2024	19.70%	4,438,000	-	4,438,000	-	-	-
Pak Kuwait Investment Company Limited	June 21, 2024	July 5, 2024	19.65%	754,000	-	754,000	-	-	-
United Bank Limited	June 24, 2024	July 5, 2024	19.80%	9,500,000	-	9,500,000	-	-	-
Pak Kuwait Investment Company Limited	June 26, 2024	August 1, 2024	19.70%	705,610	-	705,610	-	-	-
Pak Kuwait Investment Company Limited	June 27, 2024	August 5, 2024	19.70%	973,000	-	973,000	-	-	-
Faysal bank Limited	June 28, 2024	July 12, 2024	19.60%	2,000,000	-	2,000,000	-	-	-
Pak Kuwait Investment Company Limited	June 28, 2024	August 8, 2024	19.70%	1,750,537	-	1,750,537	-	-	-
Faysal bank Limited	July 2, 2024	July 12, 2024	19.60%	-	4,500,000	4,500,000	-	-	-
Meezan Bank Limited	July 3, 2024	July 5, 2024	19.15%	-	3,000,000	3,000,000	-	-	-
Faysal bank Limited	July 4, 2024	July 12, 2024	19.60%	-	3,000,000	3,000,000	-	-	-
Meezan Bank Limited	July 5, 2024	July 11, 2024	19.10%	-	9,500,000	9,500,000	-	-	-
Meezan Bank Limited	July 11, 2024	July 18, 2024	18.25%	-	10,000,000	10,000,000	-	-	-
Meezan Bank Limited	July 12, 2024	July 18, 2024	17.75%	-	250,000	250,000	-	-	-
Pak Kuwait Investment Company Limited	July 15, 2024	July 26, 2024	19.50%	-	4,512,254	4,512,254	-	-	-
Meezan Bank Limited	July 18, 2024	July 25, 2024	17.70%	-	10,300,000	10,300,000	-	-	-
Pak Kuwait Investment Company Limited	July 19, 2024	August 2, 2024	19.55%	-	649,000	649,000	-	-	-
Meezan Bank Limited	July 25, 2024	July 26, 2024	12.00%	-	5,000,000	5,000,000	-	-	-
Meezan Bank Limited	July 26, 2024	July 29, 2024	12.05%	-	8,500,000	8,500,000	-	-	-
Pak Kuwait Investment Company Limited	July 26, 2024	August 2, 2024	19.50%	-	4,538,772	4,538,772	-	-	-
Faysal bank Limited	July 29, 2024	August 2, 2024	16.00%	-	4,500,000	4,500,000	-	-	-
Pak Kuwait Investment Company Limited	July 30, 2024	August 29, 2024	18.50%	-	496,000	496,000	-	-	-
Pak Kuwait Investment Company Limited	August 1, 2024	September 13, 2024	18.50%	-	719,320	719,320	-	-	-
Faysal bank Limited	August 1, 2024	August 5, 2024	17.50%	-	4,150,000	4,150,000	-	-	-
Meezan Bank Limited	August 2, 2024	August 6, 2024	14.50%	-	5,000,000	5,000,000	-	-	-
Pak Kuwait Investment Company Limited	August 2, 2024	August 29, 2024	18.50%	-	5,209,612	5,209,612	-	-	-
Meezan Bank Limited	August 5, 2024	August 7, 2024	14.75%	-	5,000,000	5,000,000	-	-	-
Pak Kuwait Investment Company Limited	August 8, 2024	August 30, 2024	18.50%	-	1,789,275	1,789,275	-	-	-
Faysal bank Limited	August 21, 2024	August 23, 2024	17.80%	-	5,000,000	5,000,000	-	-	-
Pak Kuwait Investment Company Limited	August 30, 2024	September 18, 2024	18.50%	-	2,816,226	2,816,226	-	-	-
United Bank Limited	September 2, 2024	September 13, 2024	17.35%	-	3,300,000	3,300,000	-	-	-
Faysal bank Limited	September 3, 2024	September 5, 2024	17.75%	-	3,000,000	3,000,000	-	-	-
Faysal bank Limited	September 5, 2024	September 6, 2024	17.75%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	September 6, 2024	September 13, 2024	17.75%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	September 9, 2024	September 10, 2024	17.75%	-	1,500,000	1,500,000	-	-	-
Faysal bank Limited	September 10, 2024	September 11, 2024	17.75%	-	1,500,729	1,500,729	-	-	-
Faysal bank Limited	September 11, 2024	September 12, 2024	17.75%	-	1,100,000	1,100,000	-	-	-
Faysal bank Limited	September 12, 2024	September 13, 2024	17.75%	-	1,000,000	1,000,000	-	-	-
Faysal bank Limited	September 13, 2024	September 16, 2024	16.50%	-	2,000,000	2,000,000	-	-	-
United Bank Limited	September 16, 2024	September 27, 2024	16.25%	-	7,200,000	7,200,000	-	-	-
Pak Kuwait Investment Company Limited	September 18, 2024	November 6, 2024	16.50%	-	2,060,738	2,060,738	-	-	-
Pak Kuwait Investment Company Limited	September 30, 2024	November 8, 2024	16.50%	-	1,145,000	1,145,000	-	-	-
Pak Kuwait Investment Company Limited	October 1, 2024	October 11, 2024	16.00%	-	5,300,000	5,300,000	-	-	-
Faysal bank Limited	October 2, 2024	October 7, 2024	15.60%	-	8,500,000	8,500,000	-	-	-
Faysal bank Limited	October 7, 2024	October 9, 2024	15.60%	-	8,500,000	8,500,000	-	-	-
Pak Kuwait Investment Company Limited	October 9, 2024	October 11, 2024	15.00%	-	8,500,000	8,500,000	-	-	-
Pak Kuwait Investment Company Limited	October 11, 2024	October 15, 2024	14.90%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	October 11, 2024	October 15, 2024	14.90%	-	4,000,000	4,000,000	-	-	-

6.5 Certificate of musharakah

Name of the investee institution	Issue date	Maturity date	Profit rate	As at July 1, 2024	Placed during the year	Matured during the year	Carrying value as at June 30, 2025	Percentage in relation to	
			-----%-----	(Rupees in '000)				Net assets of the Fund	Total investments of the Fund
								-----%	
Meezan Bank Limited	October 15, 2024	October 17, 2024	14.90%	-	8,000,000	8,000,000	-	-	-
Meezan Bank Limited	October 17, 2024	October 18, 2024	14.90%	-	8,000,000	8,000,000	-	-	-
Meezan Bank Limited	October 18, 2024	October 21, 2024	14.80%	-	9,000,000	9,000,000	-	-	-
Meezan Bank Limited	October 21, 2024	October 24, 2024	14.80%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	October 24, 2024	October 25, 2024	15.70%	-	7,500,000	7,500,000	-	-	-
Faysal bank Limited	October 25, 2024	November 1, 2024	15.00%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	November 4, 2024	November 5, 2024	10.50%	-	9,000,000	9,000,000	-	-	-
Meezan Bank Limited	November 5, 2024	November 8, 2024	11.00%	-	9,000,000	9,000,000	-	-	-
Pak Kuwait Investment Company Limited	November 6, 2024	November 7, 2024	12.25%	-	2,146,384	2,146,384	-	-	-
United Bank Limited	November 7, 2024	November 8, 2024	11.50%	-	4,700,000	4,700,000	-	-	-
Faysal bank Limited	November 8, 2024	November 12, 2024	13.00%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	November 8, 2024	November 18, 2024	13.00%	-	9,000,000	9,000,000	-	-	-
Faysal bank Limited	November 12, 2024	November 15, 2024	13.00%	-	4,000,000	4,000,000	-	-	-
Habib Bank Limited	November 13, 2024	November 22, 2024	13.30%	-	5,500,000	5,500,000	-	-	-
Habib Bank Limited	November 14, 2024	November 21, 2024	13.30%	-	4,500,000	4,500,000	-	-	-
Faysal bank Limited	November 15, 2024	November 21, 2024	13.50%	-	9,400,000	9,400,000	-	-	-
Meezan Bank Limited	November 15, 2024	November 25, 2024	13.30%	-	500,000	500,000	-	-	-
Meezan Bank Limited	November 15, 2024	November 21, 2024	13.50%	-	1,000,000	1,000,000	-	-	-
Meezan Bank Limited	November 18, 2024	November 19, 2024	13.00%	-	5,000,000	5,000,000	-	-	-
Faysal bank Limited	November 19, 2024	November 20, 2024	13.00%	-	1,400,000	1,400,000	-	-	-
Faysal bank Limited	November 20, 2024	November 21, 2024	13.10%	-	1,500,000	1,500,000	-	-	-
Faysal bank Limited	November 21, 2024	November 22, 2024	13.10%	-	7,000,000	7,000,000	-	-	-
Meezan Bank Limited	November 21, 2024	December 2, 2024	13.10%	-	2,000,000	2,000,000	-	-	-
Faysal bank Limited	November 22, 2024	November 29, 2024	13.35%	-	10,400,000	10,400,000	-	-	-
Habib Bank Limited	November 27, 2024	December 6, 2024	13.40%	-	1,700,000	1,700,000	-	-	-
Habib Bank Limited	November 28, 2024	December 6, 2024	13.50%	-	2,000,000	2,000,000	-	-	-
Meezan Bank Limited	November 29, 2024	December 12, 2024	13.50%	-	3,500,000	3,500,000	-	-	-
Meezan Bank Limited	December 2, 2024	December 12, 2024	13.50%	-	8,500,000	8,500,000	-	-	-
Faysal bank Limited	December 2, 2024	December 3, 2024	13.30%	-	5,000,000	5,000,000	-	-	-
Faysal bank Limited	December 3, 2024	December 4, 2024	13.50%	-	6,000,000	6,000,000	-	-	-
Faysal bank Limited	December 4, 2024	December 13, 2024	13.40%	-	3,000,000	3,000,000	-	-	-
Faysal bank Limited	December 5, 2024	December 6, 2024	13.50%	-	2,500,000	2,500,000	-	-	-
Faysal bank Limited	December 6, 2024	December 9, 2024	13.30%	-	2,000,000	2,000,000	-	-	-
Faysal bank Limited	December 6, 2024	December 13, 2024	13.40%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	December 10, 2024	December 11, 2024	12.50%	-	1,000,000	1,000,000	-	-	-
Habib Bank Limited	December 10, 2024	December 17, 2024	13.30%	-	1,250,000	1,250,000	-	-	-
Allied Bank Limited	December 11, 2024	December 12, 2024	12.50%	-	1,900,000	1,900,000	-	-	-
Pak Kuwait Investment Company Limited	December 12, 2024	December 17, 2024	11.70%	-	12,500,000	12,500,000	-	-	-
Allied Bank Limited	December 12, 2024	December 17, 2024	11.50%	-	1,500,000	1,500,000	-	-	-
Faysal bank Limited	December 13, 2024	December 20, 2024	12.80%	-	8,000,000	8,000,000	-	-	-
Habib Bank Limited	December 13, 2024	December 16, 2024	12.50%	-	750,000	750,000	-	-	-
Faysal bank Limited	December 17, 2024	December 27, 2024	11.35%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	December 17, 2024	December 20, 2024	11.50%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	December 17, 2024	December 20, 2024	11.60%	-	6,000,000	6,000,000	-	-	-
Habib Bank Limited	December 19, 2024	December 20, 2024	11.60%	-	900,000	900,000	-	-	-
Meezan Bank Limited	December 20, 2024	December 27, 2024	11.30%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	December 20, 2024	December 23, 2024	11.30%	-	800,000	800,000	-	-	-
Meezan Bank Limited	December 20, 2024	December 27, 2024	11.25%	-	7,000,000	7,000,000	-	-	-
Faysal bank Limited	December 23, 2024	December 24, 2024	11.20%	-	1,000,000	1,000,000	-	-	-
Habib Bank Limited	December 24, 2024	January 3, 2025	11.25%	-	900,000	900,000	-	-	-
Faysal bank Limited	December 24, 2024	December 26, 2024	11.25%	-	1,000,000	1,000,000	-	-	-
Allied Bank Limited	December 24, 2024	December 26, 2024	11.10%	-	800,000	800,000	-	-	-
Faysal bank Limited	December 26, 2024	January 3, 2025	11.25%	-	1,500,000	1,500,000	-	-	-
Allied Bank Limited	December 27, 2024	December 30, 2024	11.10%	-	2,000,000	2,000,000	-	-	-
Habib Bank Limited	December 27, 2024	January 3, 2025	11.35%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	December 27, 2024	January 3, 2025	11.35%	-	12,500,000	12,500,000	-	-	-
Meezan Bank Limited	January 3, 2025	January 10, 2025	11.25%	-	3,800,000	3,800,000	-	-	-
Faysal bank Limited	January 3, 2025	January 10, 2025	11.35%	-	8,000,000	8,000,000	-	-	-
Faysal bank Limited	January 3, 2025	January 6, 2025	11.35%	-	5,000,000	5,000,000	-	-	-
Faysal bank Limited	January 6, 2025	January 7, 2025	11.35%	-	5,400,000	5,400,000	-	-	-
Faysal bank Limited	January 7, 2025	January 8, 2025	11.35%	-	3,400,000	3,400,000	-	-	-
Faysal bank Limited	January 8, 2025	January 9, 2025	11.35%	-	5,500,000	5,500,000	-	-	-
Habib Bank Limited	January 9, 2025	January 16, 2025	11.50%	-	4,500,000	4,500,000	-	-	-
Bank AL Habib Limited	January 10, 2025	January 17, 2025	11.40%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	January 10, 2025	January 17, 2025	11.40%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	January 10, 2025	January 13, 2025	11.40%	-	5,500,000	5,500,000	-	-	-
Faysal bank Limited	January 13, 2025	January 14, 2025	11.35%	-	2,500,000	2,500,000	-	-	-

HBL Islamic Money Market Fund

Notes to the financial statements

For the year ended June 30, 2025

Name of the investee institution	Issue date	Maturity date	Profit rate	As at July 1, 2024	Placed during the year	Matured during the year	Carrying value as at June 30, 2025	Percentage in relation to	
			-----%	----- (Rupees in '000) -----				Net assets of the Fund	Total investments of the Fund
Faysal bank Limited	January 14, 2025	January 15, 2025	11.40%	-	2,600,000	2,600,000	-	-	-
Faysal bank Limited	January 16, 2025	January 17, 2025	11.40%	-	5,000,000	5,000,000	-	-	-
Bank AL Habib Limited	January 17, 2025	January 28, 2025	11.55%	-	4,000,000	4,000,000	-	-	-
Habib Bank Limited	January 17, 2025	January 27, 2025	11.55%	-	5,000,000	5,000,000	-	-	-
Faysal bank Limited	January 17, 2025	January 20, 2025	11.55%	-	5,000,000	5,000,000	-	-	-
Meezan Bank Limited	January 20, 2025	January 21, 2025	11.75%	-	4,500,000	4,500,000	-	-	-
Faysal bank Limited	January 21, 2025	January 28, 2025	11.75%	-	5,000,000	5,000,000	-	-	-
Meezan Bank Limited	January 21, 2025	January 22, 2025	11.80%	-	4,500,000	4,500,000	-	-	-
Allied Bank Limited	January 22, 2025	January 23, 2025	11.75%	-	4,200,000	4,200,000	-	-	-
Meezan Bank Limited	January 23, 2025	January 24, 2025	11.90%	-	4,200,000	4,200,000	-	-	-
Meezan Bank Limited	January 24, 2025	January 27, 2025	11.95%	-	3,500,000	3,500,000	-	-	-
Meezan Bank Limited	January 27, 2025	January 28, 2025	11.95%	-	8,500,000	8,500,000	-	-	-
Bank AL Habib Limited	January 28, 2025	January 31, 2025	11.00%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	January 28, 2025	February 14, 2025	11.00%	-	5,000,000	5,000,000	-	-	-
Allied Bank Limited	January 28, 2025	January 31, 2025	11.00%	-	5,000,000	5,000,000	-	-	-
Allied Bank Limited	January 28, 2025	January 29, 2025	11.00%	-	2,000,000	2,000,000	-	-	-
Bank Alfalah Limited	January 29, 2025	January 30, 2025	11.20%	-	2,000,000	2,000,000	-	-	-
Faysal bank Limited	February 3, 2025	February 7, 2025	11.00%	-	5,000,000	5,000,000	-	-	-
Faysal bank Limited	February 6, 2025	February 14, 2025	11.10%	-	3,000,000	3,000,000	-	-	-
Faysal bank Limited	February 7, 2025	February 14, 2025	11.25%	-	5,000,000	5,000,000	-	-	-
Allied Bank Limited	February 7, 2025	February 10, 2025	11.25%	-	1,000,000	1,000,000	-	-	-
Meezan Bank Limited	February 7, 2025	February 10, 2025	11.35%	-	1,000,000	1,000,000	-	-	-
Meezan Bank Limited	February 10, 2025	February 11, 2025	11.10%	-	5,550,000	5,550,000	-	-	-
Meezan Bank Limited	February 11, 2025	February 12, 2025	11.30%	-	5,550,000	5,550,000	-	-	-
Meezan Bank Limited	February 12, 2025	February 13, 2025	11.20%	-	10,500,000	10,500,000	-	-	-
Meezan Bank Limited	February 13, 2025	February 20, 2025	11.35%	-	8,000,000	8,000,000	-	-	-
Meezan Bank Limited	February 13, 2025	February 14, 2025	11.25%	-	2,400,000	2,400,000	-	-	-
Faysal bank Limited	February 14, 2025	February 28, 2025	11.30%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	February 14, 2025	February 21, 2025	11.25%	-	6,000,000	6,000,000	-	-	-
Faysal bank Limited	February 17, 2025	February 18, 2025	11.25%	-	4,500,000	4,500,000	-	-	-
Faysal bank Limited	February 18, 2025	February 19, 2025	11.25%	-	6,000,000	6,000,000	-	-	-
Faysal bank Limited	February 19, 2025	February 20, 2025	11.25%	-	4,500,000	4,500,000	-	-	-
Allied Bank Limited	February 20, 2025	February 27, 2025	11.25%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	February 20, 2025	February 27, 2025	11.30%	-	8,000,000	8,000,000	-	-	-
Habib Bank Limited	February 21, 2025	February 24, 2025	11.20%	-	5,000,000	5,000,000	-	-	-
Meezan Bank Limited	February 21, 2025	February 24, 2025	11.30%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	February 24, 2025	February 25, 2025	11.25%	-	8,000,000	8,000,000	-	-	-
Meezan Bank Limited	February 27, 2025	March 6, 2025	11.30%	-	11,500,000	11,500,000	-	-	-
Faysal bank Limited	March 4, 2025	March 5, 2025	11.30%	-	6,000,000	6,000,000	-	-	-
Faysal bank Limited	March 5, 2025	March 6, 2025	11.30%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	March 6, 2025	March 11, 2025	11.35%	-	11,500,000	11,500,000	-	-	-
Faysal bank Limited	March 6, 2025	March 7, 2025	11.30%	-	2,900,000	2,900,000	-	-	-
Habib Bank Limited	March 7, 2025	March 11, 2025	11.30%	-	3,000,000	3,000,000	-	-	-
Faysal bank Limited	March 7, 2025	March 11, 2025	11.30%	-	2,500,000	2,500,000	-	-	-
Habib Bank Limited	March 11, 2025	March 14, 2025	11.00%	-	5,000,000	5,000,000	-	-	-
Allied Bank Limited	March 11, 2025	March 14, 2025	11.25%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	March 11, 2025	March 12, 2025	11.00%	-	6,050,000	6,050,000	-	-	-
Allied Bank Limited	March 11, 2025	March 12, 2025	11.00%	-	2,000,000	2,000,000	-	-	-
Habib Bank Limited	March 12, 2025	March 19, 2025	11.25%	-	7,500,000	7,500,000	-	-	-
Allied Bank Limited	March 12, 2025	March 13, 2025	11.00%	-	2,000,000	2,000,000	-	-	-
Dubai Islamic Bank Limited	March 12, 2025	March 14, 2025	11.10%	-	2,500,000	2,500,000	-	-	-
Faysal bank Limited	March 14, 2025	March 21, 2025	11.25%	-	4,800,000	4,800,000	-	-	-
Meezan Bank Limited	March 17, 2025	March 18, 2025	11.30%	-	2,100,000	2,100,000	-	-	-
Faysal bank Limited	March 19, 2025	March 20, 2025	11.35%	-	5,000,000	5,000,000	-	-	-
Faysal bank Limited	March 21, 2025	March 24, 2025	11.35%	-	2,500,000	2,500,000	-	-	-
Faysal bank Limited	March 21, 2025	March 25, 2025	11.35%	-	2,500,000	2,500,000	-	-	-
Dubai Islamic Bank Limited	March 21, 2025	March 28, 2025	11.35%	-	4,800,000	4,800,000	-	-	-
Meezan Bank Limited	March 21, 2025	March 24, 2025	11.35%	-	1,500,000	1,500,000	-	-	-
Meezan Bank Limited	March 24, 2025	March 25, 2025	11.35%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	March 24, 2025	March 28, 2025	11.35%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	March 25, 2025	March 26, 2025	11.35%	-	6,700,000	6,700,000	-	-	-
Habib Bank Limited	March 26, 2025	March 27, 2025	11.35%	-	3,000,000	3,000,000	-	-	-
Habib Bank Limited	March 27, 2025	April 3, 2025	11.50%	-	3,000,000	3,000,000	-	-	-
Habib Bank Limited	March 28, 2025	April 4, 2025	11.45%	-	3,500,000	3,500,000	-	-	-
Meezan Bank Limited	March 28, 2025	April 3, 2025	11.45%	-	3,900,000	3,900,000	-	-	-
Dubai Islamic Bank Limited	April 3, 2025	April 11, 2025	11.45%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	April 3, 2025	April 4, 2025	11.40%	-	900,000	900,000	-	-	-

HBL Islamic Money Market Fund

Notes to the financial statements

For the year ended June 30, 2025

Name of the investee institution	Issue date	Maturity date	Profit rate	As at July 1, 2024	Placed during the year	Matured during the year	Carrying value as at June 30, 2025	Percentage in relation to	
			%		(Rupees in '000)			Net assets of the Fund	Total investments of the Fund
Meezan Bank Limited	April 4, 2025	April 14, 2025	11.45%	-	6,000,000	6,000,000	-	-	-
Faysal bank Limited	April 7, 2025	April 8, 2025	11.10%	-	3,000,000	3,000,000	-	-	-
Faysal bank Limited	April 11, 2025	April 18, 2025	11.35%	-	6,000,000	6,000,000	-	-	-
Allied Bank Limited	April 14, 2025	April 15, 2025	11.35%	-	2,000,000	2,000,000	-	-	-
Meezan Bank Limited	April 14, 2025	April 15, 2025	11.45%	-	4,000,000	4,000,000	-	-	-
Allied Bank Limited	April 15, 2025	April 16, 2025	11.45%	-	6,000,000	6,000,000	-	-	-
Habib Bank Limited	April 16, 2025	April 25, 2025	11.50%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	April 17, 2025	April 24, 2025	11.45%	-	4,250,000	4,250,000	-	-	-
Allied Bank Limited	April 17, 2025	April 18, 2025	11.50%	-	5,000,000	5,000,000	-	-	-
Dubai Islamic Bank Limited	April 18, 2025	April 25, 2025	11.40%	-	1,000,000	1,000,000	-	-	-
Dubai Islamic Bank Limited	April 18, 2025	April 21, 2025	11.50%	-	4,000,000	4,000,000	-	-	-
Allied Bank Limited	April 18, 2025	April 21, 2025	11.50%	-	3,000,000	3,000,000	-	-	-
Allied Bank Limited	April 21, 2025	April 22, 2025	11.30%	-	3,000,000	3,000,000	-	-	-
Meezan Bank Limited	April 21, 2025	April 22, 2025	11.40%	-	2,000,000	2,000,000	-	-	-
Meezan Bank Limited	April 21, 2025	April 22, 2025	11.40%	-	2,000,000	2,000,000	-	-	-
Faysal bank Limited	April 22, 2025	April 23, 2025	11.40%	-	7,000,000	7,000,000	-	-	-
Allied Bank Limited	April 22, 2025	April 23, 2025	11.30%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	April 23, 2025	April 24, 2025	11.40%	-	5,000,000	5,000,000	-	-	-
Bank Alfalah Limited	April 23, 2025	April 24, 2025	11.40%	-	4,000,000	4,000,000	-	-	-
Faysal bank Limited	April 24, 2025	May 2, 2025	11.50%	-	7,000,000	7,000,000	-	-	-
Meezan Bank Limited	April 24, 2025	April 30, 2025	11.45%	-	7,000,000	7,000,000	-	-	-
Habib Bank Limited	April 25, 2025	April 29, 2025	11.45%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	April 25, 2025	April 30, 2025	11.40%	-	3,500,000	3,500,000	-	-	-
Dubai Islamic Bank Limited	April 29, 2025	May 9, 2025	11.52%	-	6,000,000	6,000,000	-	-	-
Habib Bank Limited	May 2, 2025	May 9, 2025	11.35%	-	7,000,000	7,000,000	-	-	-
Dubai Islamic Bank Limited	May 2, 2025	May 9, 2025	11.40%	-	2,000,000	2,000,000	-	-	-
Meezan Bank Limited	May 2, 2025	May 5, 2025	11.35%	-	6,000,000	6,000,000	-	-	-
Faysal bank Limited	May 5, 2025	May 9, 2025	11.35%	-	6,000,000	6,000,000	-	-	-
Meezan Bank Limited	May 5, 2025	May 6, 2025	11.25%	-	2,000,000	2,000,000	-	-	-
Bank Alfalah Limited	May 6, 2025	May 7, 2025	10.55%	-	2,000,000	2,000,000	-	-	-
Bank Alfalah Limited	May 7, 2025	May 8, 2025	10.65%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	May 8, 2025	May 15, 2025	10.50%	-	2,500,000	2,500,000	-	-	-
Meezan Bank Limited	May 9, 2025	May 19, 2025	10.50%	-	5,000,000	5,000,000	-	-	-
Meezan Bank Limited	May 9, 2025	May 16, 2025	10.50%	-	5,500,000	5,500,000	-	-	-
Habib Bank Limited	May 9, 2025	May 16, 2025	10.50%	-	10,000,000	10,000,000	-	-	-
Dubai Islamic Bank Limited	May 12, 2025	May 16, 2025	10.50%	-	5,000,000	5,000,000	-	-	-
Dubai Islamic Bank Limited	May 13, 2025	May 23, 2025	10.60%	-	2,500,000	2,500,000	-	-	-
Habib Bank Limited	May 15, 2025	May 29, 2025	10.60%	-	2,500,000	2,500,000	-	-	-
Habib Bank Limited	May 16, 2025	May 23, 2025	10.60%	-	10,000,000	10,000,000	-	-	-
Meezan Bank Limited	May 16, 2025	May 26, 2025	10.60%	-	5,000,000	5,000,000	-	-	-
Dubai Islamic Bank Limited	May 16, 2025	May 23, 2025	10.60%	-	5,000,000	5,000,000	-	-	-
Meezan Bank Limited	May 19, 2025	May 20, 2025	10.60%	-	7,000,000	7,000,000	-	-	-
Meezan Bank Limited	May 20, 2025	May 21, 2025	10.60%	-	5,600,000	5,600,000	-	-	-
Meezan Bank Limited	May 21, 2025	May 29, 2025	10.65%	-	7,000,000	7,000,000	-	-	-
Allied Bank Limited	May 21, 2025	May 22, 2025	10.50%	-	1,600,000	1,600,000	-	-	-
Meezan Bank Limited	May 21, 2025	May 22, 2025	10.60%	-	2,000,000	2,000,000	-	-	-
Habib Bank Limited	May 22, 2025	May 23, 2025	10.70%	-	1,600,000	1,600,000	-	-	-
Meezan Bank Limited	May 22, 2025	May 30, 2025	10.65%	-	2,000,000	2,000,000	-	-	-
Faysal bank Limited	May 22, 2025	May 23, 2025	10.70%	-	5,235,000	5,235,000	-	-	-
Habib Bank Limited	May 26, 2025	June 5, 2025	10.57%	-	10,000,000	10,000,000	-	-	-
Meezan Bank Limited	June 2, 2025	June 3, 2025	10.65%	-	4,000,000	4,000,000	-	-	-
Meezan Bank Limited	June 2, 2025	June 10, 2025	10.65%	-	9,000,000	9,000,000	-	-	-
Faysal bank Limited	June 2, 2025	June 10, 2025	10.65%	-	3,000,000	3,000,000	-	-	-
Allied Bank Limited	June 3, 2025	June 4, 2025	10.75%	-	3,250,000	3,250,000	-	-	-
Pak Kuwait Investment Company Limited	June 3, 2025	June 17, 2025	10.65%	-	744,000	744,000	-	-	-
Dubai Islamic Bank Limited	June 5, 2025	June 13, 2025	10.80%	-	500,000	500,000	-	-	-
Meezan Bank Limited	June 5, 2025	June 13, 2025	10.70%	-	4,500,000	4,500,000	-	-	-
Bank AL Habib Limited	June 5, 2025	June 13, 2025	10.70%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	June 10, 2025	June 17, 2025	10.68%	-	5,000,000	5,000,000	-	-	-
Habib Bank Limited	June 10, 2025	June 20, 2025	10.68%	-	2,500,000	2,500,000	-	-	-
Habib Bank Limited	June 13, 2025	June 16, 2025	10.70%	-	4,000,000	4,000,000	-	-	-
Dubai Islamic Bank Limited	June 13, 2025	June 17, 2025	10.60%	-	2,000,000	2,000,000	-	-	-
Dubai Islamic Bank Limited	June 10, 2025	June 17, 2025	10.60%	-	1,000,000	1,000,000	-	-	-
Meezan Bank Limited	June 13, 2025	June 17, 2025	10.55%	-	4,500,000	4,500,000	-	-	-
Total as at June 30, 2025							-		
Total as at June 30, 2024							<u>20,121,147</u>		

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

	Note	2025	2024
		----- (Rupees in '000) -----	
Market value of investments	6.1, 6.2, 6.3, 6.4 & 6.5	55,914,660	46,501,577
Less: carrying value of investments	6.1, 6.2, 6.3, 6.4 & 6.5	<u>(55,879,389)</u>	<u>(46,479,827)</u>
		<u>35,271</u>	<u>21,750</u>

7 PROFIT RECEIVABLE

Profit accrued on:		
Bank balances	108,362	88,895
GoP ijarah sukuks	211,985	-
Corporate sukuk certificates	48,980	172,206
Certificate of musharakah	-	90,797
Islamic term deposit receipts	-	39,963
	<u>369,327</u>	<u>391,861</u>

8 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Security deposit with:		
- Central Depository Company of Pakistan Limited	100	100
Prepayments of the Fund rating and listing fee	391	95
Other receivable	18,782	18,782
Advance tax	8.1	18,874
	<u>38,147</u>	<u>37,851</u>

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding tax on profit on debt securities and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholders. The tax withheld on profit on debt securities and profit on bank deposits amounts to Rs. 18.874 million (2024: Rs. 18.874 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit on debt securities and profit on bank deposits has been shown as advance tax as at June 30, 2025 in the opinion of the Management Company, the amount of tax deducted at source will be refunded.

9 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025	2024
		----- (Rupees in '000) -----	
Remuneration payable	9.1	38,129	47,543
Sindh Sales Tax payable on remuneration of the Management Company	9.2	5,719	6,181
Allocation of expenses related to registrar services, accounting, operation and valuation services payable	9.3	-	-
Selling and marketing expense payable	9.4	-	7,261
Sales load payable		<u>18,806</u>	<u>4,290</u>
		<u>62,654</u>	<u>65,275</u>

9.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate ranging from 0.40% to 0.845% (2024: 0.65% to 0.845%) per annum of the average daily net assets of the Fund during the year ended June 30, 2025. The remuneration is payable to the Management Company monthly in arrears.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, revised the management fee cap of 1.25% to be calculated on a per annum basis of the average daily net assets, applicable to a "Money Market Scheme". This revision is effective from July 1, 2025.

9.2 Sindh Sales Tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Management Company has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide the Sindh Finance Act, 2024.

9.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has not charged such expenses during the year (2024: 0% to 0.165% of the daily net assets of the Fund).

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly approved by the SECP.

9.4 In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion, has not charged selling and marketing expenses during the year (2024: 0% to 1.12% of the average daily net assets of the Fund), while keeping in view the overall return and total expense ratio limit of the Fund as defined under the NBFC Regulations.

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing services has been excluded. This amendment was effective immediately upon its release on April 10, 2025, except where a later date was explicitly approved by the SECP.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025	2024
			----- (Rupees in '000) -----	
	Remuneration payable to the Trustee	10.1	3,476	3,095
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	521	402
			<u>3,997</u>	<u>3,497</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.055% (2024: 0.055%) per annum of the average annual net assets of the Fund.

10.2 Sindh Sales Tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025	2024
			----- (Rupees in '000) -----	
	Fee payable	11.1	<u>4,758</u>	<u>4,199</u>

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to a "Money Market Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2024: 0.075%) per annum of the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

	Note	2025	2024
		----- (Rupees in '000) -----	
12 ACCRUED EXPENSES AND OTHER LIABILITIES			
Auditors' remuneration		596	406
Federal Excise Duty	12.1	2,185	2,185
Withholding tax payable		415,689	313,481
Other payables		892	25,897
Capital gain tax payable		663,066	3
Unclaimed dividend		20,850	307
		<u>1,103,278</u>	<u>342,279</u>

12.1 The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honorable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 2.185 million is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.0027 (2024: Re. 0.0034).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

	2025	2024
	----- (Rupees in '000) -----	
14 AUDITORS' REMUNERATION		
Annual audit fee	486	395
Half yearly review	340	70
Certification and other services	269	101
Out of pocket expenses	51	-
Sales tax	103	-
	<u>1,249</u>	<u>566</u>

15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 1.03% (2024: 1.11%) which includes 0.2% (2024: 0.18%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2% prescribed under the NBFC Regulations for a collective investment scheme categorised as a Money Market scheme.

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 01, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 9.1 of these financial statements.

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

	Note	2025	2024
		----- (Rupees in '000) -----	
17 CASH AND CASH EQUIVALENTS			
Bank balances	5	26,641,638	18,587,915
Islamic term deposit receipts	6.4	-	9,971,000
Certificate of musharakah	6.5	-	20,121,147
		<u>26,641,638</u>	<u>48,680,062</u>
		2025	2024
		----- (Number of units) -----	
18 NUMBER OF UNITS IN ISSUE			
Units in issue at the beginning of the year		642,326,837	439,229,606
Units issued during the year		2,152,347,125	1,778,374,910
Units redeemed during the year		(1,989,551,772)	(1,575,277,679)
Total units in issue at the end of the year		<u>805,122,190</u>	<u>642,326,837</u>

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

- 19.1** Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.
- 19.2** Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.
- 19.3** Remuneration payable to the Management Company is determined in accordance with the provisions of the NBFC Regulations.
- 19.4** Remuneration payable to the Trustee is determined in accordance with the provisions of the Trust Deed.
- 19.5** The details of transactions carried out by the Fund with connected persons during the year and balances with them as at year end are as follows:

Transactions during the year	2025	2024
	----- (Rupees in '000) -----	
HBL Asset Management Limited - Management Company		
Management remuneration including sales tax thereon	695,257	480,436
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	51,798
Selling and marketing expenses	-	45,734
Issuance of 4,300 units (2024: 8,351,915 units)	466	845,000
Redemption of 1,910,051 of units (2024: 6,305,943 units)	196,000	638,000
Dividend reinvestment of 28,569 units (2024: 95,278 units)	3,711	9,640
Habib Bank Limited - Sponsor		
Bank charges paid	1,726	1,119
Profit earned on bank deposits	212,114	150,941
Purchase of GoP ijarah sukuks	19,016,204	-
Sale of GoP ijarah sukuks	12,911,635	-
Directors, Executive and Key management personnel		
Issuance of 362,886 units (2024: 392,200 units)	37,029	35,268
Redemption of 329,023 units (2024: 358,144 units)	46,554	31,131
Dividend reinvestment of 5,701 units (2024 : 34,848 units)	705	4,192
Central Depository Company of Pakistan Limited - Trustee		
Trustee's remuneration including sales tax thereon	49,550	37,470
Pakistan Petroleum Limited - Associate		
Issuance of Nil units (2024: 73,160,799 units)	-	7,402,000
Redemption of 75,155,205 units (2024: Nil units)	7,745,984	-
Dividend reinvestment of 144,125 units (2024: 1,850,280 units)	14,582	187,201
MCBFSL Trustee HBL Islamic Financial Planning Fund - Active Allocation Plan - Associate		
Redemption of Nil units (2024: 10,414 units)	-	1,054
Dividend reinvestment of Nil units (2024: 759 units)	-	76
MCBFSL Trustee HBL Islamic Financial Planning Fund - Conservative Allocation Plan - Associate		
Redemption of Nil units (2024: 1,519 units)	-	154
Dividend reinvestment of Nil units (2024: 109 units)	-	11
Archroma Pakistan Limited - Employees Gratuity Fund - An associate		
Issuance of Nil units (2024: 1,021,143 units)	-	103,314
Redemption of 561,711 units (2024: 494,196 units)	56,831	50,000
Conversion out Nil units (2024: 365 units)	-	36,815
Dividend reinvestment of Nil units (2024: 34,770 units)	-	3,518
HBL Asset Management Limited Employees Gratuity Fund - An associate		
Issuance of 4 units (2024: 165,951 units) *	-	16,790
Redemption of Nil units (2024: 108,723 units)	-	11,000
Dividend reinvestment of 17,909 units (2024: 21,488 units)	1,815	2,174
HBL Asset Management Limited Employees Provident Fund - An associate		
Issuance of 14 units (2024: 214,342 units)	2	21,686
Redemption of Nil units (2024: 148,249 units)	-	15,000
Dividend reinvestment of 39,536 units (2024: 46,401 units)	4,007	4,695

	2025	2024
	----- (Rupees in '000) -----	-----
HBL Islamic Pension Fund - common management		
Purchase of GoP Ijarah	-	21,537
HBL Islamic Savings Fund Plan 1 - common management		
Sale of GoP Ijarah sukuks	4,832,889	-
Jubilee Life Insurance Company Limited - An associate		
Issuance of 8,804,005 units (2024: Nil units)	900,000	-
Dividend reinvestment of 914,743 units (2024: Nil units)	121,055	-
Pakistan National Shipping Corporation - An associate **		
Issuance of 1,014,757 units (2024: Nil units)	1,014,757	-
Redemption of 10,031,294 units (2024: Nil units)	1,027,097	-
Dividend reinvestment of 19,237 units (2024: Nil units)	1,946	-
Bank of Khyber - An associate **		
Issuance of 3,929,099 units (2024: Nil units)	400,001	-
Redemption of 3,929,087 units (2024: Nil units)	400,791	-
UDL International Limited - An associate **		
Issuance of 794,529 units (2024: Nil units)	80,418	-
Redemption of 796,057 units (2024: Nil units)	80,743	-
Dividend reinvestment of 1,528 units (2024: Nil units)	154	-
Connected person due to holding 10% or more		
Fauji Fertilizer Company Limited **		
Issuance of 208,169,605 units (2024: Nil units)	22,219,304	-
Redemption of 156,886,203 units (2024: Nil units)	11,278,586	-
Dividend reinvestment of 67,837 units (2024: Nil units)	6,863	-
19.6 Balances outstanding as at year end	2025	2024
	----- (Rupees in '000) -----	-----
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company including sales tax thereon	43,848	53,724
Sale load payable	18,806	4,290
Selling and marketing expenses payable	-	7,261
Outstanding 264,068 units (2024: 2,141,250 units)	26,817	217,023
Habib Bank Limited - Sponsor		
Bank balances	8,200,331	1,844,737
Profit accrued on bank deposits	37,860	14,924
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to trustee including sales tax thereon	3,997	3,497
Directors, Executive and Key management personnel		
Outstanding 284,907 units (2024: 245,343 units)	28,934	24,866
HBL Asset Management Limited Employees Gratuity Fund - An associate		
Outstanding 147,834 units (2024: 129,921 units)	15,013	13,168
HBL Asset Management Limited Employees Provident Fund - An associate		
Outstanding 326,347 units (2024: 286,797 units)	33,142	29,068

	2025	2024
	----- (Rupees in '000) -----	
Archroma Pakistan Limited - Employees Gratuity Fund - An associate		
Outstanding Nil units (2024: 561,711 units)	-	56,931
Pakistan Petroleum Limited - An associate		
Outstanding Nil units (2024: 75,011,080 units)	-	7,602,635
Jubilee Life Insurance Company Limited - An associate **		
Outstanding 9,718,748 units (2024: Nil units)	986,982	-
Bank of Khyber - An associate **		
Outstanding 12 units (2024: Nil units)	1	-
Connected person due to holding 10% or more		
Fauji Fertilizer Company Limited **		
Outstanding 86,657,284 units (2024: -** units)	8,800,428	-

* Nil due to rounding off.

** Comparative amount / unit not showing as the counterparty was not related party at that period.

20

FINANCIAL INSTRUMENTS BY CATEGORY

	2025		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees in '000) -----		
Financial assets			
Bank balances	26,641,638	-	26,641,638
Investments	-	55,914,660	55,914,660
Profit receivable	369,327	-	369,327
Deposit and other receivable	18,882	-	18,882
	<u>27,029,847</u>	<u>55,914,660</u>	<u>82,944,507</u>
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	62,654	-	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee	3,997	-	3,997
Payable against redemption of units	18,346	-	18,346
Advance against issuance of units	7,034	-	7,034
Accrued expenses and other liabilities	22,338	-	22,338
	<u>114,369</u>	<u>-</u>	<u>114,369</u>
	----- (Rupees in '000) -----		
	2024		
	At amortised cost	At fair value through profit or loss	Total
Financial assets			
Bank balances	18,587,915	-	18,587,915
Investments	-	46,501,577	46,501,577
Profit receivable	391,861	-	391,861
Deposit and other receivable	18,882	-	18,882
	<u>18,998,658</u>	<u>46,501,577</u>	<u>65,500,235</u>
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	65,275	-	65,275
Payable to Central Depository Company of Pakistan Limited - Trustee	3,497	-	3,497
Advance against issuance of units	1,901	-	1,901
Accrued expenses and other liabilities	26,610	-	26,610
	<u>97,283</u>	<u>-</u>	<u>97,283</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

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

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

(i) Profit rate risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2025, the Fund is exposed to such risk on its balances held with banks, investments in GoP ijarah sukuks, corporate sukuk certificates and bai muajjal. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund's profit rate risk arises from the balances in savings accounts and investments in GoP ijarah sukuks. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 307.771 million (2024: Rs. 185.879 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, the Fund holds GoP ijarah sukuks and corporate sukuk certificates, bai muajjal, which are classified as financial assets at fair value through profit or loss' exposing the Fund to fair value profit rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for GoP ijarah sukuks with all other variables held constant, the net income for the year and net assets of the Fund would have been lower / higher by Rs. 517.792 million (2024: Rs. 465.016 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 and June 30, 2024 can be determined as follows:

On-balance sheet financial instruments

Financial assets

Effective yield / profit rate		Exposed to yield / interest rate risk			Not exposed to yield / profit rate risk	Total
(%)		Upto three months	More than three months and upto one	More than one year		
Bank balances	9.00% to 11.11%	26,641,638	-	-	-	26,641,638
Investments	8.37% to 17.20%	29,767,072	26,147,588	-	-	55,914,660
Profit receivable		-	-	-	369,327	369,327
Deposit and other receivable		-	-	-	18,882	18,882
		56,408,710	26,147,588	-	388,209	82,944,507

Financial liabilities

Payable to HBL Asset Management Limited - Management Company		-	-	-	62,654	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,997	3,997
Payable against redemption of units		-	-	-	18,346	18,346
Advance against issuance of units		-	-	-	7,034	7,034
Accrued expenses and other liabilities		-	-	-	22,338	22,338
		-	-	-	114,369	114,369

On-balance sheet gap (a)

56,408,710	26,147,588	-	273,840	82,830,138

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a-b)

56,408,710	26,147,588	-

Cumulative interest rate sensitivity gap

56,408,710	82,556,298	82,556,298

On-balance sheet financial instruments

Financial assets

Effective yield / profit rate		Exposed to yield / interest rate risk			Not exposed to yield / profit rate risk	Total
(%)		Upto three months	More than three months and upto one	More than one year		
Bank balances	6.00% to 21.35%	18,587,915	-	-	-	18,587,915
Investments	17.07% to 21.40%	37,724,319	8,777,258	-	-	46,501,577
Profit receivable		-	-	-	391,861	391,861
Deposit and other receivable		-	-	-	18,882	18,882
		56,312,234	8,777,258	-	410,743	65,500,235

Financial liabilities

Payable to HBL Asset Management Limited - Management Company		-	-	-	65,275	65,275
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,497	3,497
Advance against issuance of units		-	-	-	1,901	1,901
Accrued expenses and other liabilities		-	-	-	26,610	26,610
		-	-	-	97,283	97,283

On-balance sheet gap (a)

56,312,234	8,777,258	-	313,460	65,402,952

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total interest rate sensitivity gap (a-b)

56,312,234	8,777,258	-

Cumulative interest rate sensitivity gap

56,312,234	65,089,492	65,089,492

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2025.

21.2 Liquidity risk

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

The Fund is exposed to daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed of and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the year.

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

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting year to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

2025						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees in '000						
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company	62,654	-	-	-	-	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee	3,997	-	-	-	-	3,997
Payable against redemption of units	18,346	-	-	-	-	18,346
Advance against issuance of units	7,034	-	-	-	-	7,034
Accrued expenses and other liabilities	21,742	596	-	-	-	22,338
	113,773	596	-	-	-	114,369
	113,773	596	-	-	-	114,369

2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total

Rupees in '000

Financial liabilities

Payable to HBL Asset Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Advance against issuance of units
Accrued expenses and other liabilities

65,275	-	-	-	-	-	65,275
3,497	-	-	-	-	-	3,497
1,901	-	-	-	-	-	1,901
26,204	406	-	-	-	-	26,610
96,877	406	-	-	-	-	97,283
96,877	406	-	-	-	-	97,283

21.3 Credit risk

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

The Fund, however, also invests in unrated instruments based on internal ratings assigned by the Fund manager using an approach that is consistent with the approach used by the rating agencies. Credit risk arising on other financial assets is monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quarterly basis.

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

2025		2024	
Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk

Rupees in '000

Bank balances	26,641,638	26,641,638	18,587,915	18,587,915
Investments	55,914,660	32,331,072	46,501,577	39,696,319
Profit receivable	369,327	157,342	391,861	391,861
Deposit and other receivable	18,882	18,882	18,882	18,882
	82,944,507	59,148,934	65,500,235	58,694,977

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets. Investments in government securities and their accrued profit thereon, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

21.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks as follows:

Rating category	% of financial assets exposed to credit risk	
	2025	2024
AAA	22.50%	13.90%
AA+ *	10.10%	0.00%
AA *	0.00%	14.66%
AA- *	0.00%	0.00%
	32.60%	28.56%

Ratings of outstanding investments have been disclosed in related notes to the financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

* Nil due to rounding off

21.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties, any significant concentration of credit risk is mitigated.

The Fund does not have any collateral against any of the aforementioned assets.

All financial assets of the Fund as at June 30, 2025 and June 30, 2024 are unsecured and are not impaired.

22 FAIR VALUE MEASUREMENT

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.

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

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair values:

Financial assets 'at fair value through profit or loss'

	2025			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
GoP ijarah sukuks	13,360,948	10,222,640	-	23,583,588
Corporate sukuk certificates *	-	2,564,000	-	2,564,000
Bai muajjal *	-	29,767,072	-	29,767,072
	<u>13,360,948</u>	<u>42,553,712</u>	<u>-</u>	<u>55,914,660</u>

Financial assets 'at fair value through profit or loss'

	2024			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
GoP ijarah sukuks	6,805,258	-	-	6,805,258
Corporate sukuk certificates *	-	1,972,000	-	1,972,000
Bai muajjal *	-	7,632,172	-	7,632,172
Islamic term deposit receipts *	-	9,971,000	-	9,971,000
Certificate of musharakah *	-	20,121,147	-	20,121,147
	<u>6,805,258</u>	<u>39,696,319</u>	<u>-</u>	<u>46,501,577</u>

*The carrying value of these securities approximate their fair value since these are short term in nature and are placed with counter parties which have high credit ratings.

"There were no transfers between levels during the year. "

Valuation technique used in determination of fair values is as follows:

Item	Valuation technique
Government of Pakistan - Ijarah sukuks - Listed	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates quoted on the Pakistan Stock Exchange.
Government of Pakistan - Ijarah sukuks - Other than Listed	The fair value of other GoP Ijarah sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.
Corporate sukuk certificates	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's NAV per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 21, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 PATTERN OF UNIT HOLDING

Category	2025			
	Number of unit holders	Units held	Investment amount	Percentage of investment
			(Rupees in '000)	
Individuals	9,042	292,129,056	29,666,991	36.28%
Trusts	41	29,987,050	3,045,317	3.72%
Insurance companies	22	26,051,109	2,645,605	3.24%
Retirement funds	46	36,610,590	3,717,967	4.55%
Banks / DFIs	1	12	1	0.00%
Other corporate	201	420,080,305	42,661,007	52.18%
Asset Management Company	1	264,068	26,817	0.03%
	9,354	805,122,190	81,763,705	100.00%

Category	2024			
	Number of unit holders	Units held	Investment amount	Percentage of investment
			(Rupees in '000)	
Individuals	7,481	156,587,283	15,870,649	24.38%
Associated companies	4	2,557,968	259,259	0.40%
Trusts	30	6,672,546	676,286	1.04%
Insurance companies	20	3,903,093	395,592	0.61%
Retirement funds	45	8,048,038	815,697	1.25%
NBFCs	3	777,142	78,766	0.12%
Others	185	463,780,767	47,005,804	72.20%
	7,768	642,326,837	65,102,053	100.00%

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

-----2025-----	-----2024-----
Name of broker	Name of broker
BMA Capital Management Limited	Arif Habib Limited
Alfalsh Securities (Private) Limited	Intermarket Securities Limited
Continental Exchange (Private) Limited	BMA Capital Management Limited
Currency Market Associates (Private) Limited	Chase Securities Pakistan (Private) Limited
Invest One Market (Private) Limited	JS Global Capital Limited
Icon Management (Private) Limited	Rafi Securities (Private) Limited
Paramount Capital (Private) Limited	DJM Securities Limited
AKD Securities Limited	Taurus Securities Limited
JS Global Capital Limited	Insight Securities (Private) Limited
Bright Capital (Private) Limited	KTrade Securities Limited (Formerly) Khadim Ali Shah
	Bukhari Securities Limited

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

S.No.	Name	Designation	Qualification	Overall experience in years
1	Mir Adil Rashid	Chief Executive Officer	BSc	26+ years
2	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29+ years
3	Rahat Saeed Khan	Head of Fixed Income	MBA	27+ years
4	Amin Mohammad	Head of Risk	MBA	32+ years
5	Hammad Ali Abbas	Senior Fund Manager	MSC	20+ years

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2024, September 26, 2024, October 24, 2024, January 25, 2025, February 18, 2025, April 17, 2025, May 26, 2025, May 27, 2025 and June 4, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave Granted	
Mr. Shahid Ghaffar	9	9	-	-
Ms. Ava A. Cowasjee	9	9	-	-
Mr. Rayomond H. Kotwal	9	6	3	August 28, 2024, May 27, 2025 and June 4, 2025
Mr. Abrar Ahmed Mir	9	8	1	August 28, 2024
Mr. Tariq Masaud	9	8	1	October 24, 2024
Mr. Abid Sattar *	9	6	-	May 26, 2025, May 27, 2025 and June 4, 2025
Mr. Khalid Malik	9	9	-	-
Mr. Habib Yousuf Habib *	9	3	1	May 27, 2025
Ms. Sheeza Ahmed *	9	3	-	-

* Mr. Abid Sattar retired on April 28, 2025, and Mr. Habib Yousuf Habib and Ms. Sheeza Ahmed was subsequently appointed on April 29, 2025.

28 GENERAL

28.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.

28.2 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

29 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on 28 August, 2025.

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

Chief Financial Officer

Chief Executive Officer

Director



HBL Islamic Asset Allocation Fund

FUND INFORMATION

NAME OF FUND	HBL ISLAMIC ASSET ALLOCATION FUND
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF AUDITORS	Yousuf Adil, Chartered Accountants
NAME OF SHARIAH ADVISORS	AI - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Habib Bank Limited Bank Al Habib Limited Dubai Islamic Bank Limited Askari Bank Limited Soneri Bank Limited Allied Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited MCB Islamic Bank Limited National Bank Limited The Bank of Khyber Faysal Bank Limited U Microfinance Bank Limited Meezan Bank Limited Bank Alfalah Limited

Type and Category of Fund

Open end Shariah Complaint Asset Allocation Fund

Investment Objective and Accomplishment of Objective

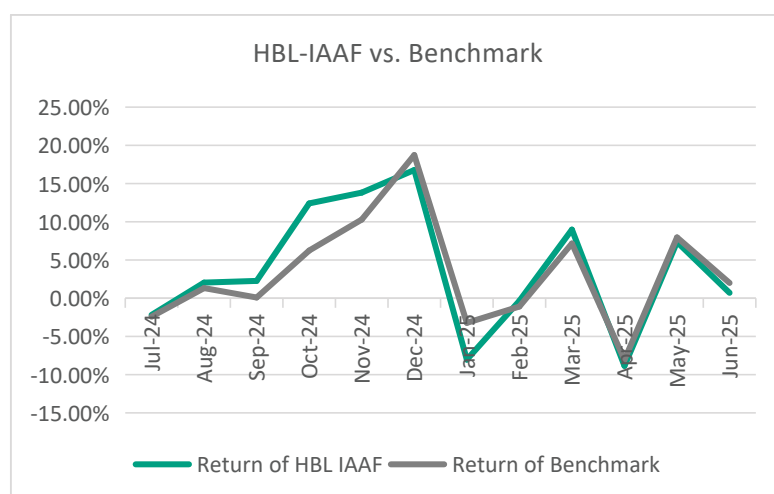
The objective of the Fund is to provide superior returns through investments in Shariah Complaint equity securities and Shariah Compliant income /money market instruments.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is Weighted average daily return of KMI-30 and 6M deposit rate of 3 A rated (and above) Islamic Banks as per MUFAP, based on the actual proportion held by the Scheme

The comparison of the fund return with benchmark is given below:

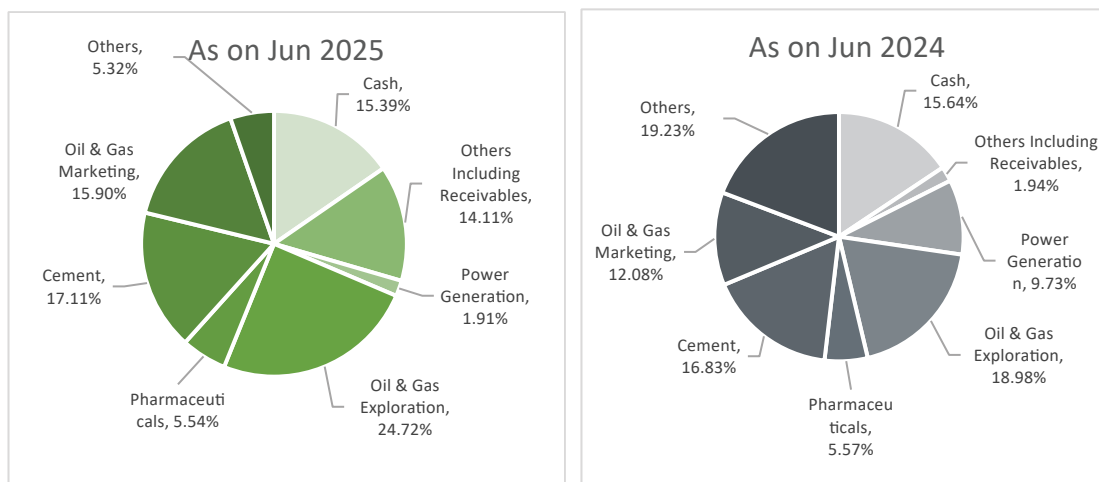
Month	Return of Fund	
	HBL -IAAF	Benchmark
Jun-25	0.70%	1.99%
May-25	7.35%	7.95%
Apr-25	-8.86%	-8.05%
Mar-25	8.98%	7.16%
Feb-25	-0.35%	-1.09%
Jan-25	-8.04%	-3.23%
Dec-24	16.77%	18.73%
Nov-24	13.82%	10.29%
Oct-24	12.40%	6.23%
Sep-24	2.26%	0.09%
Aug-24	2.04%	1.32%
Jul-24	-2.19%	-2.41%



Strategies and Policies employed during the Year – HBL IAAF

During the year under review the Fund has decreased its exposure in equity securities from 82.24% as on June 30, 2024 to 70.50% on June 30, 2025. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. The Fund increased its exposure in oil & gas exploration companies, cement and oil & gas marketing companies, while it decreased its exposure in the power generation, pharma and others.

Asset Allocation



Fund Performance

Under HBL Islamic Asset Allocation Fund (HBL-IAAF), the HBL Islamic Asset Allocation Fund – Plan I (HBL IAAF-Plan-I) have been constituted on July 13, 2020 and HBL Islamic Asset Allocation Fund – Plan-II was launched on August 05, 2022.

The total and net income of the Fund including HBL IAAF Plans was Rs. 451.73 million and Rs. 394.44 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the HBL-IAAF increased from Rs. 171.1578 per unit as on June 30, 2024 to Rs. 253.2553 per unit as on June 30, 2025 (after incorporating dividend of Rs. 3.50 per unit) thereby giving a return of 50.06% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 42.97%.

The units HBL IAAF Plan-I & Plan-II were fully redeemed before the end of the year and the proceeds were paid to the investors. The Net Assets of these funds stands zero as at June 30, 2025.

Significant Changes in Asset Allocation during the Year (HBL-IAAF)

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2025 and June 30, 2024:

Sector Name	As on Jun 2025	As on Jun 2024
Cash	15.39%	15.64%
Others Including Receivables	14.11%	1.94%
Power Generation	1.91%	9.73%
Oil & Gas Exploration	24.72%	18.98%
Pharmaceuticals	5.54%	5.57%
Cement	17.11%	16.83%
Oil & Gas Marketing	15.90%	12.08%
Others	5.3%	19.2%
Total	100.00%	100.00%

Review of Market invested in

Money Market Review

During FY25, the SBP shifted to an aggressive monetary easing stance, cutting the policy rate from 20.5% at the start of the year to 11% by June 2025, as inflation declined sharply into low single digits. On a forward-looking basis, real interest rates have turned positive, creating further space for monetary easing if price stability continues.

Reflecting expectations of lower policy rates, secondary market yields declined significantly during the year. After peaking at 23–25% across short- and medium-term tenors in FY24, yields fell to 11.4%, 11.6%, 11.9%, 12.1% and 12.4% for 3M, 6M, 12M, 3Y, and 5Y instruments respectively by June 2025.

In T-Bill auctions, cut-off yields have declined significantly compared to last year. The 3M, 6M and 12M papers, which had earlier reached highs of 24.5%, 24.79% and 25.07%, closed FY25 at 11.01%, 10.89% and 10.85% respectively, indicating a substantial easing in short-term rates. Similarly, in the 3Y and 5Y fixed rate PIB auctions, cut-off yields declined to 11.40% and 11.70%, compared to their respective peaks of 19.35% and 16.95%.

During the last T-Bill auction held on 25th Jun-25, the government raised PKR 344.6B against the target of PKR 650B. Cut-off yields remained largely stable at 11.01%, 10.89% and 10.85% for 3M, 6M and 12M tenors, reflecting continued investor demand at lower rates. In the last fixed-rate PIB auction held on 18th Jun-25, the government mobilized PKR 556.7B against the target of PKR 300B, with cut-off yields settling at 11.40%, 11.70% and 12.50% for 3Y, 5Y and 10Y bonds respectively. The last floating rate PIB auction of FY25 remained undersubscribed, with the government raising PKR 155.5B against the target of PKR 200B.

With inflation expected to remain anchored in single digits and growth still below potential, the possibility of further monetary easing in FY26 remains high.

Stock Market Review

In FY25, KMI-30 Index gained 45% YoY in PKR terms and 43% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the KMI-30 has delivered a remarkable 161% cumulative return in PKR terms and 163% in USD terms, making it one of the best-performing Shariah-compliant equity indices globally over this period.

This rally was underpinned by macroeconomic stability achieved through the IMF program, completion of the first IMF review in March 2025, aggressive monetary easing from 20.5% to 11%, Fitch's upgrade of Pakistan's credit rating from CCC+ to B-, improving macro indicators, and improved liquidity as flows shifted from fixed income to equities. As per Bloomberg data, Pakistan's market ranked as the 8th best-performing market globally in FY25 on a standalone basis with a 57% USD return, but over the two-year period, it stood out as the best performer worldwide.

The sectors that majorly contributed to the performance in FY25 were Commercial Banks (+15,155 pts), Fertilizer (+9,716 pts), Oil and Gas Exploration Companies (+6,865 pts) and Cements (+5,622 pts). Whereas script wise major contribution came from FFC (+6,305 pts), UBL (+5,305 pts), MARI (+2,648 pts), LUCK (+2,536pts) and OGDC (+2,082pts).

After peaking at 20.5%, the interest rate cycle reversed sharply in FY25, with the policy rate cut to 11% by June 2025 on the back of a drastic decline in inflation. Headline CPI has averaged in the low single digits, providing ample room for monetary easing. The successful completion of the first review under the 3-year IMF EFF program, improving macroeconomic indicators, Fitch's upgrade of Pakistan's credit rating to B-, and strong corporate earnings outlook have further strengthened investor confidence. Alongside, a weakening oil price outlook and continued multilateral and bilateral funding support are expected to sustain the positive momentum in equities.

We expect the positive momentum in Pakistan's equity markets to continue, driven by sustained monetary easing, stable macroeconomic indicators, and robust corporate earnings growth. Improving credit outlook and ongoing IMF support provide further room for market rerating. However, risks remain from geopolitical tensions, global commodity price shocks, etc.

Distribution

The Board of Directors has approved the distribution from HBL Islamic Asset Allocation Fund & its plan for the year ended June 30, 2025 as per the following table.

Name of Fund / Plan	Distribution per unit (upto Rs.)
HBL Islamic Asset Allocation Fund	3.50

Significant Changes in the State of Affairs

There were no changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size (HBL Islamic Asset Allocation Fund)

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 – 100	363	7,713
101 – 500	143	35,766
501 – 1,000	56	41,853
1,001 – 10,000	123	409,575
10,001 – 100,000	46	882,504
500,001 – 1,000,000	1	638,319
100,001 – 500,000	8	1,563,736
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	740	3,579,466

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL ISLAMIC ASSET ALLOCATION FUND

As at June 30, 2025

	2025			2024			2023			2022		2021		2020
	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF	IAAF-I	IAAF
Net assets at the period end (Rs'000)	906,519	-	-	192,213	1,146,800	595,444	100,676	1,929,004	493,571	202,144	2,422,530	387,971	2,474,242	110,399
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES														
Redemption	253.2553	-	-	171.1578	102.2464	100.5438	101.6871	101.3349	100.9289	108.5372	100.5354	112.9636	100.4119	103.6330
Offer	259.0802	-	-	175.0260	102.8241	102.8161	103.9852	101.9074	103.2099	110.9901	101.1034	115.5166	100.9792	105.9751
OFFER / REDEMPTION DURING THE PERIOD - RUPEES														
[†] Highest offer price per unit	276.4068	110.9259	121.6331	185.1682	124.1608	125.0104	114.5224	116.6424	121.0851	118.9244	110.0364	119.2670	114.5896	118.2841
[†] Lowest offer price per unit	169.4227	94.6633	103.8076	110.7775	102.0954	103.2402	97.2390	101.1082	102.2730	109.7132	101.0320	106.7077	100.5968	100.7388
Highest redemption price per unit	270.1924	110.2917	118.8984	181.0759	123.4632	122.2476	111.9914	115.9871	118.4091	116.2961	109.4182	116.6311	112.0571	115.6700
Lowest redemption price per unit	165.6136	94.1221	101.4737	108.3293	101.5218	100.9585	95.0900	100.5401	100.0127	107.2885	100.4644	104.3494	100.0316	98.5124
RETURN (%)														
[†] Total return	50.06%	-7.95%	14.47%	76.64%	22.76%	21.69%	-6.31%	16.54%	19.75%	-3.92%	9.09%	11.59%	7.42%	6.42%
[†] Income distribution	2.04%	0.00%	0.00%	8.75%	21.71%	21.15%	0.00%	15.70%	18.65%	0.00%	9.00%	2.70%	7.00%	6.25%
Capital growth	48.02%	-7.95%	14.47%	67.89%	1.05%	0.54%	-6.31%	0.84%	1.10%	-3.92%	0.09%	8.89%	0.42%	0.17%
DISTRIBUTION														
Final dividend distribution- Rs	3.50	N/A	N/A	8.90	22.00	21.35	-	15.70	18.65	-	9.00	2.70	2.70	6.25
Date of Income Distribution	19-Jun-25			21-Jun-24	21-Jun-24	21-Jun-24	-	16-Jun-23	16-Jun-23	-	29-Jun-22	18-Jun-21	21-Jun-21	26-Jun-20
Total dividend distribution for the year (Rs)	3.50	N/A	N/A	8.90	22.00	21.35	-	15.70	18.65	-	9.00	2.70	7.00	6.25
AVERAGE RETURNS (%)														
Average annual return 1 year	50.06%	-7.95%	14.47%	76.64%	22.76%	21.69%	-6.31%	16.54%	19.75%	-3.92%	9.09%	11.59%	7.42%	6.42%
Average annual return 2 year	62.81%	7.41%	18.08%	28.64%	19.61%	20.72%	-5.12%	12.75%	N/A	3.55%	8.25%	8.97%	N/A	2.57%
Average annual return 3 year	35.42%	10.45%	18.64%	16.72%	15.99%	N/A	0.15%	10.95%	N/A	4.49%	N/A	5.49%	N/A	1.44%
PORTFOLIO COMPOSITION - (%)														
Percentage of Net Assets as at 30 June:														
Bank Balances	15.39%	0.00%	0.00%	15.87%	22.92%	19.76%	17.46%	13.27%	21.12%	16.88%	31.08%	40.66%	17.08%	35.33%
Govt / Shariah Sukuks	0.00%	0.00%	0.00%	0.00%	0.00%	34.61%	0.00%	0.00%	14.16%	0.00%	0.00%	2.29%	49.25%	2.85%
Certificate of Modaraba	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.74%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.63%	0.00%	6.14%	0.00%	0.00%
TFC / Sukuks	0.00%	0.00%	0.00%	0.00%	74.02%	43.79%	0.00%	83.44%	60.94%	14.01%	66.83%	20.53%	31.94%	20.58%
Stock/Equities	70.50%	0.00%	0.00%	82.69%	0.00%	0.00%	77.24%	0.00%	0.00%	61.11%	0.00%	27.81%	0.00%	29.99%
Others	14.11%	0.00%	0.00%	1.44%	3.06%	1.84%	5.31%	3.29%	3.78%	2.37%	2.09%	2.57%	1.73%	3.51%

Notes:

[†]The Launch date of the Islamic Asset Allocation Fund is January 08, 2016.

[†]The Launch date of the Islamic Asset Allocation Fund Plan I is July 13, 2020. During the period dated June 20, 2025, the fund has been ceased to zero.

[†]The Launch date of the Islamic Asset Allocation Fund Plan II is August 05, 2022. During the period dated June 27, 2025, the fund has been ceased to zero.

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Summary of Actual Proxy voted by CIS

HBLIAAF	Meetings	Resolutions	For	Against
Number	5	11	11	-
(%ages)				-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Air Link Communication Ltd	2024-08-27	2025-03-27
Attock Cement Pakistan Ltd	2024-10-21	
Attock Refinery Ltd	14/10/2024 17-10-24	2024-07-12
Avanceon Limited	2025-05-30	
BF Biosciences Limited	2024-10-28	
Cherat Cement Company Ltd	2024-10-16	
Crescent Steel & Allied Products Limited	2024-10-28	
DG Khan Cement Co Ltd	2024-10-18	
Engro Fertilizer Limited	2025-03-24	
Engro Holding Limited	2025-04-25	
Fauji Cement Company Ltd	2024-10-14	2024-12-10
Fauji Fertilizer Bin Qasim Ltd		19/08/2024 4-11-24
Fauji Fertilizer Company Ltd	2025-03-25	08/10/2024 4-11-24
GHANDHARA AUTOMOBILES LIMITED	2024-10-24	2025-02-04
Ghandhara Industries Limited	2024-10-24	
Gharibwal Cement	2024-10-24	
GLAXOSMITHKLINE PAKISTAN LIMITED	2025-04-28	
Hub Power co. Ltd	30-Sep-24	
Habib Bank Limited	2025-03-26	
Honda Atlas Cars (Pakistan) Limited		
Loads Limited	2024-10-24	
LUCKY CEMENT LTD	2024-08-26	2025-03-18
Maple Leaf Cement Ltd.		
Mari Energies Limited	2024-09-24	2024-12-19
Meezan Bank Ltd	2025-03-28	2024-11-18
Netsol Technologies Limited	2024-10-18	2024-12-31
NISHAT MILLS LIMITED	2024-10-28	
Oil & Gas Development Co Ltd	2024-10-25	
PAK ELEKTRON	2025-04-29	
PAKISTAN PETROLEUM LIMITED	2024-10-25	
Pakistan Refinery Ltd	2024-10-19	
Pakistan State Oil Company Ltd	2024-10-24	
Pakistan Stock Exchange Limited	2024-10-28	
PAKISTAN TELECOMMUNICATION COMPANY	2025-04-25	2024-11-06
Pioneer Cement Co Limited	2024-10-28	
Sazgar Engineering Works Limited	2024-10-26	
Secure Logistics Group Ltd		
SUI NORTHERN GAS PIPELINES LIMITED	2024-08-21	
SUI SOUTHERN GAS COMPANY LIMITED	29/11/2024 16-6-25	
Synthetic Products Enterprises Limi		21/02/2025 1-3-25
Systems Limited	2025-04-28	
Thatta Cement Company Limited	2024-10-15	2024-12-09
THE HUB POWER COMPANY LIMITED		
The Organic Meat Company Limited	2024-10-28	2025-01-25
SHIFA INTERNATIONAL HOSPITAL LTD	2024-10-28	
SITARA CHEMICAL LIMITED	2024-10-24	
Tariq Glass Industries Ltd	2024-10-28	
The Searle Comp	2024-10-28	

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S. Main Shakra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

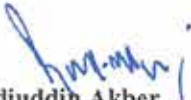


HBL ISLAMIC ASSET ALLOCATION FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Asset Allocation Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2025





ASSET MANAGEMENT LTD.
ایسٹیت منیجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Asset Allocation Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

UAN (021) 111-425-262
Fax (021) 35168455
www.hblasst.com

September 23, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Asset Allocation Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

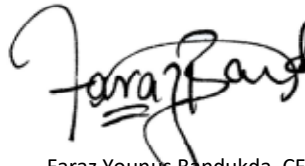
May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Islamic Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	Valuation and existence of investments As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 656.865 million as at June 30, 2025, consisting of investment in listed equity securities which represent a significant item on the statement of assets and liabilities of the Fund. We have identified the existence and valuation as the significant areas during our audit of investment.	We performed the following procedures during our audit of investments: - tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies; - matched the number of listed equity securities held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any; - matched securities held by the Fund with the securities appearing in the Investors' Portfolio Securities Account Statement and check for reconciliation of the differences if any;



Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management Company and Board of Directors of the Management Company for the Financial Statements

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

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

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other Matter Paragraph:

The annual financial statement of the Fund for the year ended June 30, 2024 were audited by another firm of chartered accountants, whose audit report dated September 28, 2024, expressed an unmodified opinion respectively.

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



Chartered Accountants

Place: Karachi

Date: September 29, 2025

UDIN: AR202510057VhOmH208P

HBL ISLAMIC ASSET ALLOCATION FUND

Statement of Assets and Liabilities

As at June 30, 2025

		2025				2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	Note	(Rupees in '000)							
ASSETS									
Bank balances	4	338,454	3,228	3,291	344,973	34,104	263,203	118,828	416,135
Investments	5	656,864	-	-	656,864	171,553	849,805	467,951	1,489,309
Profit receivable	6	286	155	19	460	462	29,514	11,030	41,006
Preliminary expenses and flotation costs	7	-	-	-	-	-	43	-	43
Advances, deposits and other receivables	8	3,184	100	100	3,384	3,581	5,541	100	9,222
TOTAL ASSETS		998,788	3,483	3,410	1,005,681	209,700	1,148,106	597,909	1,955,715
LIABILITIES									
Payable to the Management Company	9	1,843	273	2,918	5,034	423	401	515	1,339
Payable to the Trustee	10	112	2	30	144	35	80	42	157
Payable to Securities and Exchange Commission of Pakistan	11	43	2	33	78	14	91	47	152
Dividend payable		62	-	-	62	25	-	-	25
Accrued expenses and other liabilities	12	8,969	671	429	10,069	4,429	734	403	5,566
Payable to PIA Holding Company Limited		-	-	-	-	-	-	1,458	1,458
Payable against redemption of units		12,060	2,535	-	14,595	12,060	-	-	12,060
Payable against purchase of investment		69,180	-	-	69,180	501	-	-	501
TOTAL LIABILITIES		92,269	3,483	3,410	99,162	17,487	1,306	2,465	21,258
NET ASSETS		906,519	-	-	906,519	192,213	1,146,800	595,444	1,934,457
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		906,519	-	-		192,213	1,146,800	595,444	
CONTINGENCIES AND COMMITMENTS									
	13	Number of units							
NUMBER OF UNITS IN ISSUE	14	3,579,466	-	-		1,123,014	11,216,044	5,922,233	
		(Rupees)							
NET ASSETS VALUE PER UNIT	3.8	253.2553	-	-		171.1578	102.2464	100.5438	

The annexed notes 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC ASSET ALLOCATION FUND

Income Statement

For the year ended June 30, 2025

		2025				2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Note		(Rupees in '000)							
INCOME									
		182,853	3,878	17,248	203,979	33,661	1,289	(169)	34,781
		19,029	-	-	19,029	7,701	-	-	7,701
		-	33,529	77,373	110,902	165	290,390	92,745	383,300
		10,689	20,409	5,548	36,646	5,701	63,022	17,170	85,893
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
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		-	-	-					

Earnings per unit

3.11

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC ASSET ALLOCATION FUND

Statement of Comprehensive Income

For the year ended June 30, 2025

	2025				2024			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	(Rupees in '000)							
Net income for the year after taxation	266,705	34,486	93,250	394,441	74,151	344,414	102,095	520,660
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	266,705	34,486	93,250	394,441	74,151	344,414	102,095	520,660

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC ASSET ALLOCATION FUND

Statement of Movement in Unit Holders' Fund

For the year ended June 30, 2025

	HBL Islamic Asset Allocation Fund			HBL Islamic Asset Allocation Fund Plan 1			HBL Islamic Asset Allocation Fund Plan 2			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(Rupees in '000)												
Net assets at the beginning of the year	22,067	170,146	192,213	1,119,012	27,788	1,146,800	593,450	1,994	595,444	1,734,529	199,928	1,934,457
Issuance of 8,558,625 units of HBL Islamic Asset Allocation Fund, 69,464 units of HBL Islamic Asset Allocation Fund Plan 1, Nil units of HBL Islamic Asset Allocation Fund Plan 2.												
- Capital value	1,464,875	-	1,464,875	7,102	-	7,102	-	-	-	1,471,977	-	1,471,977
- Element of income	446,114	-	446,114	398	-	398	-	-	-	446,512	-	446,512
Total proceeds on issuance of units	1,910,989	-	1,910,989	7,500	-	7,500	-	-	-	1,918,489	-	1,918,489
Redemption of 6,102,173 units of HBL Islamic Asset Allocation Fund, 11,285,508 units HBL Islamic Asset Allocation Fund Plan 1, 5,922,233 units HBL Islamic Asset Allocation Fund Plan 2.												
- Capital value	(1,044,434)	-	(1,044,434)	(1,153,903)	-	(1,153,903)	(595,444)	-	(595,444)	(2,793,781)	-	(2,793,781)
- Income already paid during the year	-	(177,924)	(177,924)	-	(34,486)	(34,486)	-	(93,250)	(93,250)	-	(305,660)	(305,660)
- Element of loss	(235,192)	-	(235,192)	(397)	-	(397)	-	-	-	(235,589)	-	(235,589)
Total payment on redemption of units	(1,279,626)	(177,924)	(1,457,550)	(1,154,300)	(34,486)	(1,188,786)	(595,444)	(93,250)	(688,694)	(3,029,370)	(305,660)	(3,335,030)
Total comprehensive income for the year	-	266,705	266,705	-	34,486	34,486	-	93,250	93,250	-	394,441	394,441
Final Distribution for the year ended June 30, 2025: Rs. 3.5 per unit declared on June 19, 2025 (2024: Rs. 8.9 per unit)	-	(5,053)	(5,053)	-	-	-	-	-	-	-	(5,053)	(5,053)
Refund of Capital	(785)	-	(785)	-	-	-	-	-	-	(785)	-	(785)
Total distribution	(785)	261,652	260,867	-	34,486	34,486	-	93,250	93,250	(785)	389,388	388,603
Amount adjusted against capital	-	-	-	27,788	(27,788)	-	1,994	(1,994)	-	29,782	(29,782)	-
Net assets at the end of the year	652,645	253,874	906,519	-	-	-	-	-	-	652,645	253,874	906,519
Undistributed income brought forward												
- Realised income		137,292			27,353			-			164,645	
- Unrealised income		32,854			435			1,994			35,284	
		170,146			27,788			1,994			199,929	
Accounting income available for distribution												
- Relating to capital gains		87,890			-			-			87,890	
- Excluding capital gains		891			-			-			891	
		88,781			-			-			88,781	
Distribution during the year		(5,053)			-			-			(5,053)	
Amount adjusted against capital		-			(27,788)			(1,994)			(29,782)	
Undistributed income carried forward		253,874			-			-			253,875	
Undistributed income carried forward comprises of:												
- Realised income		172,700			-			-			172,700	
- Unrealised income		81,174			-			-			81,174	
		253,874			-			-			253,874	
	(Rupees)			(Rupees)			(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year		171.1578			102.2464			100.5438				
Net assets value per unit at end of the year		253.2553			-			-				

The annexed notes 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC ASSET ALLOCATION FUND

Statement of Movement in Unit Holders' Fund

For the year ended June 30, 2025

Net assets at the beginning of the year

Issuance of 798,289 units of HBL Islamic Asset Allocation Fund, 12,598,559 units of HBL Islamic Asset Allocation Fund Plan 1, 5,922,233 units of HBL Islamic Asset Allocation Fund Plan 2.

- Capital value
- Element of income

Total proceeds on issuance of units

Redemption of 665,327 units of HBL Islamic Asset Allocation Fund, 20,418,444 units of HBL Islamic Asset Allocation Fund Plan 1, 4,890,279 units of HBL Islamic Asset Allocation Fund Plan 2.

- Capital value
- Income already paid during the year
- Element of income / (loss)

Total payment on redemption of units

Total comprehensive income / (loss) for the year

Final distribution for the year ended June 30, 2024: Rs. 22 per unit in Plan 1 and Rs. 21.35 per unit in Plan 2 declared on June 21, 2024

Refund of Capital
Total distribution

Net assets at the end of the year

Undistributed income brought forward

- Realised income
- Unrealised income

Accounting income available for distribution

- Relating to capital gains
- Excluding capital gains

- Distribution during the year
- Income already paid on redemption of units - from prior year

Undistributed income carried forward

Undistributed income carried forward comprises of:

- Realised income
- Unrealised income

Net assets value per unit at beginning of the year

Net assets value per unit at end of the year

The annexed notes 1 to 28 form an integral part of these financial statements.

HBL Islamic Asset Allocation Fund			HBL Islamic Asset Allocation Fund Plan 1			HBL Islamic Asset Allocation Fund Plan 2			Total		
2024			2024			2024			2024		
Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
(10,382)	111,058	100,676	1,909,286	19,718	1,929,004	489,091	4,480	493,571	2,387,995	135,256	2,523,250
81,176	-	81,176	1,276,674	-	1,276,674	597,724	-	597,724	1,955,574	-	1,955,574
47,577	-	47,577	220,578	-	220,578	103,095	-	103,095	371,250	-	371,250
128,753	-	128,753	1,497,252	-	1,497,252	700,819	-	700,819	2,326,824	-	2,326,824
(67,655)	-	(67,655)	(2,069,101)	-	(2,069,101)	(493,570)	-	(493,570)	(2,630,327)	-	(2,630,327)
-	(7,604)	(7,604)	-	(336,344)	(336,344)	-	(1,000)	(1,000)	-	(344,948)	(344,948)
(27,350)	-	(27,350)	(15,621)	-	(15,621)	31	(102,095)	(102,064)	(42,940)	(102,095)	(145,035)
(95,005)	(7,604)	(102,609)	(2,084,722)	(336,344)	(2,421,066)	(493,539)	(103,095)	(596,634)	(2,673,266)	(447,043)	(3,120,309)
-	74,151	74,151	-	344,414	344,414	-	102,095	102,095	-	520,660	520,660
-	(7,459)	(7,459)	-	-	-	-	(1,486)	(1,486)	-	(8,945)	(8,945)
(1,299)	-	(1,299)	(202,804)	-	(202,804)	(102,921)	-	(102,921)	(307,024)	-	(307,024)
(1,299)	66,692	65,393	(202,804)	344,414	141,610	(102,921)	100,609	(2,312)	(307,024)	511,715	204,691
22,067	170,146	192,213	1,119,012	27,788	1,146,800	593,450	1,994	595,444	1,734,529	199,929	1,934,456
112,189			27,921			5,539			145,649		
(1,131)			(8,203)			(1,059)			(10,393)		
111,058			19,718			4,480			135,256		
59,790			951			-			60,741		
6,757			7,119			-			13,876		
66,547			8,070			-			74,617		
(7,459)			-			(1,486)			(8,945)		
-			-			(1,000)			(1,000)		
170,146			27,788			1,994			199,929		
137,292			27,353			-			164,645		
32,854			435			1,994			35,284		
170,146			27,788			1,994			199,929		
(Rupees)			(Rupees)			(Rupees)					
101.6871			101.3349			100.9289					
171.1578			102.2464			100.5438					

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC ASSET ALLOCATION FUND

Cash Flow Statement

For the year ended June 30, 2025

		June 30, 2025				June 30, 2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Cash flows from operating activities	Note	(Rupees in '000)							
Net income / (loss) for the year before taxation		266,705	34,486	93,250	394,441	74,151	344,414	102,095	520,660
Adjustments									
Capital gain on sale of investments - net		(182,853)	(3,878)	(17,248)	(203,979)	(33,661)	(1,289)	169	(34,781)
Dividend income		(19,029)	-	-	(19,029)	(7,701)	-	-	(7,701)
Profit / return on investments		-	(33,529)	(77,373)	(110,902)	(165)	(290,390)	(92,745)	(383,300)
Profit on bank deposits		(10,689)	(20,409)	(5,548)	(36,647)	(5,701)	(63,022)	(17,170)	(85,893)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.4	(81,174)	-	-	(81,174)	(32,855)	(435)	(4,781)	(38,071)
Other Income		-	-	-	-	(15)	(903)	(446)	(1,364)
Amortisation of preliminary expenses and flotation costs		-	43	-	43	-	43	-	43
		(27,040)	(23,287)	(6,919)	(57,247)	(5,947)	(11,582)	(12,878)	(30,407)
Decrease / (Increase) in assets									
Investments		(221,284)	853,683	485,199	1,117,598	(20,085)	762,935	(91,940)	650,910
Advances, deposits and other receivables		397	5,441	-	5,838	600	5,345	7,700	13,645
		(220,887)	859,124	485,199	1,123,436	(19,485)	768,280	(84,240)	664,555
Increase / (Decrease) in liabilities									
Payable to Management Company		1,420	(128)	2,403	3,694	92	(130)	65	27
Payable to Trustee		77	(78)	(12)	(13)	16	(63)	8	(39)
Payable to Securities and Exchange Commission of Pakistan		29	(89)	(14)	(74)	(12)	(355)	(33)	(400)
Accrued expenses and other liabilities		4,540	(63)	26	4,503	9,263	95	5	9,363
Dividend payable		37	-	-	37	-	-	-	-
Payable to PIA Holding Company Limited		-	-	(1,458)	(1,458)	-	-	1,458	1,458
Payable against redemption of units		-	2,535	-	2,535	-	-	-	-
Payable against purchase of investment		68,679	-	-	68,679	501	-	-	501
		74,782	2,177	945	77,904	9,860	(453)	1,503	10,910
Net cash (used in) / generated from operating activities		(173,145)	838,014	479,225	1,144,094	(15,572)	756,245	(95,615)	645,058
Cashflow from investing activities									
Profit received on bank deposits		10,865	24,262	7,195	42,322	5,554	63,493	17,131	86,178
Dividend income received		19,029	-	-	19,029	7,650	-	-	7,650
Profit received on investments		-	59,035	86,737	145,772	165	312,907	92,634	405,706
Profit received on Deposits		-	-	-	-	15	903	446	1,364
Net cashflow from investing activities		(143,251)	921,311	573,157	1,351,217	(2,188)	1,133,548	14,596	1,145,956
Cash flows from financing activities									
Proceeds from issuance of units		1,910,204	7,500	-	1,917,704	127,454	1,294,448	597,898	2,019,800
Payment on redemption of units		(1,457,550)	(1,188,786)	(688,694)	(3,335,030)	(102,609)	(2,421,066)	(596,634)	(3,120,309)
Cash distribution		(5,053)	-	-	(5,053)	(7,459)	-	(1,486)	(8,945)
Net cash used in financing activities		447,601	(1,181,286)	(688,694)	(1,422,379)	17,386	(1,126,618)	(222)	(1,109,454)
Net increase / (decrease) in cash and cash equivalents		304,350	(259,975)	(115,537)	(71,162)	15,198	6,930	14,374	36,502
Cash and cash equivalents at beginning of the year		34,104	263,203	118,828	416,135	18,906	256,273	104,454	379,633
Cash and cash equivalents at end of the year		338,454	3,228	3,291	344,973	34,104	263,203	118,828	416,135

The annexed notes 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed, dated September 07, 2015, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on October 28, 2015.
- 1.2** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC 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.
- 1.3** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 08, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.4** The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The fund comprises of the original fund and sub-funds, namely Plan 1 and Plan 2 which shall be perpetual. The initial public offer period for IAAF was from January 07, 2016 to January 08, 2016 (both days inclusive) and the initial public offer period for IAAF Plan 1 was from the start of banking hours from July 13, 2020 to the closure of banking hours on July 13, 2020 and the initial public offer period for IAAF Plan 2 was from the start of banking hours from August 04, 2022 to the closure of banking hours on August 04, 2022. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited.
- 1.5** The primary objective of the Fund is to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income/ Money Market Instruments.
- 1.6** VIS Credit Rating Company has reaffirmed a management quality rating to 'AM1' (Stable outlook) of the Management Company on December 29, 2024.
- 1.7** Title to the assets of the Fund are 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 New amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

2.3 Standards and amendments to IFRS that are not yet effective

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

	Effective from accounting period beginning on or after
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements.
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.3)
- Taxation (notes 3.4 and 16)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and Commitments (note 13)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

2.6 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

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

3.1.1 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.

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

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

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Dividends are recognised as income in the income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Fund elected not to classify irrevocably any of the equity investments under this category on initial recognition.

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

Equity investments which the Fund had not irrevocably elected to classify at fair value through OCI are classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the income statement.

Dividends on equity investments are recognised as income in the income statement when the right of payment has been established.

The Fund elected to classify all of the equity investments at fair value through profit or loss on initial recognition.

Financial assets at amortised cost (debt instruments)

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

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

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

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

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss 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.

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's website.

Basis of valuation of government debt securities:

"The government 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) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at revaluation rates disseminated by Pakistan Stock Exchange (PSX)."

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

"The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk."

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limit is +50 bps.

3.1.1.3 Impairment of financial assets

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.

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 until further instruction.

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.

3.1.1.4 Derecognition

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

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

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate 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 the Fund has opted to measure them at fair value through profit or loss.

3.1.2.2 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.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

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

3.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the unit holders during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.7 Element of Income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holder's fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.8 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 net assets of the Fund by the number of units in issue at the year end.

3.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Unrealised gain / loss arising on re-measurement of investments 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in term finance certificates / sukuks, and government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.10 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee fee and fee of SECP are recognised in the income statement on an accrual basis.

3.11 Earnings per unit

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

		June 30, 2025				June 30, 2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Note		(Rupees in '000)							
4. BANK BALANCES									
Savings account	4.1	338,454	3,228	3,291	344,973	34,104	263,203	118,828	416,135
		338,454	3,228	3,291	344,973	34,104	263,203	118,828	416,135

4.1 These bank accounts carry profit at rates ranging between 6% - 13.5% per annum (2024: 10% - 22.50%). This includes a balance held by Habib Bank Limited, a related party, amounting to Rs. 184.17 million (2024: Rs. 4.627 million) in Islamic Asset Allocation Fund, which carries profit at the rate of 11.11% per annum (2024: 22.50%) per annum.

		June 30, 2025				June 30, 2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Note		(Rupees in '000)							
5. INVESTMENTS									
at fair value through profit or loss									
Listed equity securities	5.1	656,864	-	-	656,864	171,553	-	-	171,553
GoP ijarah sukuks	5.2	-	-	-	-	-	-	208,067	208,067
Sukuk bonds	5.3	-	-	-	-	-	849,805	259,884	1,109,689
		656,864	-	-	656,864	171,553	849,805	467,951	1,489,309

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

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

Name of the Investee Company	Number of shares				As at June 30, 2025				Market value as a of Total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
	As at July 01, 2024	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2025	Carrying Value	Market value	Unrealised (loss) / gain			
	(Number of shares)					(Rupees in '000')				(%)	

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

Automobile Assembler

Atlas Honda Limited	-	500	-	500	-	-	-	-	-	-	-
Al-Ghazi Tractors Limited	3,319	28,897	-	32,216	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	23,100	-	23,100	-	-	-	-	-	-	-
Ghandhara Automobiles Limited	-	12,000	-	12,000	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	7,850	46,100	-	53,950	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	1,140	8,130	-	9,270	-	-	-	-	-	-	-
						-	-	-	-	-	-

Automobile Parts & Accessories

Atlas Battery Limited	2,074	-	-	2,074	-	-	-	-	-	-	-
Baluchistan Wheels Limited	17,500	-	-	17,500	-	-	-	-	-	-	-
Exide Pakistan Limited	4,700	-	-	4,700	-	-	-	-	-	-	-
						-	-	-	-	-	-

HBL ISLAMIC ASSET ALLOCATION FUND

Notes to the Financial Statements

For the year ended June 30, 2025

Name of the Investee Company	Number of shares					As at June 30, 2025			Market value as a of Total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
	As at July 01, 2024	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2025	Carrying Value	Market value	Unrealised (loss) / gain			
	(Number of shares)					(Rupees in '000')			(%)		
Cement											
Attock Cement Pakistan Limited	-	271,300	-	177,500	93,800	20,000	27,446	7,446	4.18	3.03	0.07
Cherat Cement Company Limited	5,400	43,329	-	48,729	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	133,498	103,000	-	127,000	109,498	13,374	18,129	4,755	2.76	2.00	0.02
Fauji Cement Company Limited	350,000	745,000	-	693,000	402,000	16,287	17,957	1,670	2.73	1.98	0.02
Flying Cement Company Limited	216,000	25,000	-	241,000	-	-	-	-	-	-	-
Gharibwal Cement	-	445,000	-	445,000	-	-	-	-	-	-	-
Lucky Cement Limited ***	-	35,100	-	35,100	-	-	-	-	-	-	-
Maple Leaf Cement Limited	169,000	1,742,200	-	1,046,000	865,200	57,106	72,919	15,813	11.10	8.04	0.08
Pakistan Refinery Limited	-	145,000	-	145,000	-	-	-	-	-	-	-
Pioneer Cement Company Limited	34,800	140,200	-	74,451	100,549	19,162	22,938	3,776	3.49	2.53	0.04
Thatta Cement Company Limited	-	44,000	-	44,000	-	-	-	-	-	-	-
						125,929	159,389	33,460	24.26	17.58	0.23
Chemicals											
Biafo Industries Limited	-	52,876	-	-	52,876	7,530	9,286	1,756	1.41	1.02	0.11
Descon Oxychem Limited	-	53,478	-	53,478	-	-	-	-	-	-	-
Ittehad Chemical Limited	15,000	-	-	15,000	-	-	-	-	-	-	-
Sitara Chemical Limited	-	6,000	-	-	6,000	2,699	2,975	276	0.45	0.33	0.03
						10,229	12,261	2,032	1.86	1.35	0.14
Commercial Banks											
Bank Islami Pakistan Limited	95,000	30,530	-	125,530	-	-	-	-	-	-	-
Meezan Bank Limited	30,162	37,678	-	67,840	-	-	-	-	-	-	-
						-	-	-	-	-	-
Engineering											
Agha Steel Industries Limited	45,870	-	-	45,870	-	-	-	-	-	-	-
Aisha Steel Mills Limited	63,000	-	-	63,000	-	-	-	-	-	-	-
International Steels Limited	25,350	-	-	25,350	-	-	-	-	-	-	-
Mughal Iron	10,000	-	-	10,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Fertilizer											
Agriotech Limited	-	117,500	-	117,500	-	-	-	-	-	-	-
Engro Fertilizer Limited	-	88,500	-	88,500	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	57,500	171,500	-	229,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Food & Personal Care											
National Foods Limited*	-	13,500	-	-	13,500	3,266	4,418	1,152	0.67	0.49	0.01
Glass & Ceramics											
Tariq Glass Industries Limited	15,500	33,500	-	-	49,000	5,651	12,307	6,656	1.87	1.36	0.03
Investment Banks											
Engro Holding Limited	-	31,000	-	31,000	-	-	-	-	-	-	-
Miscellaneous											
Pakistan Hotels Developers Limited	-	1,500	-	1,500	-	-	-	-	-	-	-
Shifa International Hospital Limited	-	10,993	-	-	10,993	4,177	5,223	1,046	0.80	0.58	0.02
						4,177	5,223	1,046	0.80	0.58	0.02
Oil & Gas Exploration Companies											
Mari Energies Limited	1,400	73,600	30,400	102,360	3,040	1,668	1,906	238	0.29	0.21	0.00
Oil & Gas Development Company Limited	130,849	998,951	-	611,400	518,400	106,177	114,338	8,161	17.41	12.61	0.01
Pakistan Oilfields Limited	-	3,600	-	3,600	-	-	-	-	-	-	-
Pakistan Petroleum Limited	153,687	1,123,454	-	607,000	670,141	109,560	114,038	4,478	17.36	12.58	0.02
						217,405	230,282	12,877	35.06	25.40	0.03
Oil And Gas Marketing Companies											
Pakistan State Oil Company Limited	77,803	506,100	-	239,500	344,403	114,915	130,022	15,107	19.79	14.34	0.07
Sui Northern Gas Pipelines Limited	192,344	838,156	-	875,000	155,500	17,169	18,148	979	2.76	2.00	0.02
						132,084	148,170	16,086	22.55	16.35	0.10
Paper And Board											
Century Paper & Board Mills Limited	60,000	-	-	60,000	-	-	-	-	-	-	-
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	3,200	15,898	-	5,998	13,100	12,681	12,734	53	1.94	1.40	0.01
Agp Limited	13,000	153,570	-	107,000	59,570	7,830	11,375	3,545	1.73	1.25	0.02
Ferozsons Laboratories Limited	16,400	18,500	-	34,900	-	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	50,500	-	22,100	28,400	9,267	11,096	1,829	1.69	1.22	0.01
Haleon Pakistan Limited	-	12,968	-	6,600	6,368	5,142	4,689	(453)	0.71	0.52	0.01
Highnoon Laboratories Limited	1,637	28,700	-	18,637	11,700	10,329	11,559	1,230	1.76	1.28	0.02
The Searle Company Limited	48,333	96,000	-	143,000	1,333	95	117	22	0.02	0.01	0.00
						45,344	51,570	6,226	7.85	5.69	0.07
Power Generation & Distribution											
K-Electric Limited**	388,790	6,612,625	-	4,510,000	2,491,415	12,351	13,080	729	1.99	1.44	0.01
The Hub Power Company Limited	110,569	79,000	-	155,569	34,000	4,826	4,686	(140)	0.71	0.52	0.00
						17,177	17,766	589	2.70	1.96	0.01

Name of the Investee Company	Number of shares					As at June 30, 2025			Market value as a of Total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
	As at July 01, 2024	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2025	Carrying Value	Market value	Unrealised (loss) / gain			
	(Number of shares)					(Rupees in '000')			(%)		
Property											
TPL Properties Limited	75,000	-	-	75,000	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	10,240	101,200	-	104,140	7,300	4,654	4,960	306	0.76	0.55	0.01
National Refinery Limited	5,430	-	-	5,430	-	-	-	-	-	-	-
						4,654	4,960	306	0.76	0.55	0.01
Technology & Communications											
Air Link Communication Limited	-	41,700	-	41,700	-	-	-	-	-	-	-
Avanceon Limited	30,208	17,477	-	47,685	-	-	-	-	-	-	-
Systems Limited***	1,500	64,000	-	1,500	64,000	6,590	6,857	267	1.04	0.76	0.00
TPL Trakker Limited	513,500	-	-	-	513,500	3,184	3,661	477	0.56	0.40	0.27
						9,774	10,518	744	1.60	1.16	0.27
As at June 30, 2025						575,690	656,864	81,174			
As at June 30, 2024						138,698	171,553	32,855			

*These have a face value of Rs. 5 per share

**These have a face value of Rs. 3.5 per share

***These have a face Value of Rs. 2 per share

5.1.1 These investments include gross bonus shares as per Fund's entitlement declared by the investee company. Previously due to amendments brought by the Finance Act, 2014 in the Income Tax Ordinance, 2001, the bonus shares received by the shareholders were to be treated as income and a tax at the rate of 5 percent was 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 was to be collected at source by the investee company which was considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), 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 funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court granted stay order till the final outcome of the case. However, the investee company(s) had already withheld the shares (from Tax Year 2014 to Tax Year 2018) equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.213 million at June 30, 2025 (2024: Rs. 0.16 million) and not yet deposited on CDC account of department of Income tax while during the period no tax on bonus shares is being withheld by the investee company(s) due to the amendments brought by the Finance Act, 2018 in the Income Tax Ordinance, 2001 which excluded the requirement of tax on bonus shares. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

During 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the previous year.

Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of the Income Tax Ordinance (the Ordinance), 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold 5% of the bonus shares to be issued. Accordingly, post July 01, 2018 shares are not being withheld at the time of bonus issue.

In 2019, the CISs had have filed a fresh constitutional petition via CP4653 dated July 11, 2019. In this regard, on July 15, 2019, the High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in mean time. The matter is still pending and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitution petition will be in favour of the CISs.

Further, through Finance Act 2023, 10% tax on value of bonus shares has been introduced. During the year, an investee company, Mari Energies Limited (Mari) withheld 30,400 shares, having aggregate fair value of 13.641 million which is 10% of the bonus shares issued by Mari to comply with the requirements of 236Z of the Income Tax Ordinance, 2001. The Management Company, along with other asset management companies, filed a constitutional petition (C.P. No 4747 of 2024) in the High Court of Sindh (SHC) on September 30, 2024, challenging the applicability of withholding tax provisions on bonus shares received by Collective Investment Schemes. The SHC has issued a stay order on September 30, 2024 whereby Mari was directed to retain the 10% of bonus shares issued to the Fund but not to liquidate / sell the same to pay the amount to income tax authority until the case is decided by the Court. The case pending further adjudication in the SHC. Management is of the view that the decision will be favourable and accordingly, has recorded such bonus shares on gross basis at fair value in its investments at year end.

	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	---- (Number of shares) ----		----- (Rupees in 000's) -----	
Mari Energies Limited	3,040	-	1,906	-
Pakistan State Oil Company Limited	503	503	190	84
The Searle Company Limited	1,333	1,333	117	76
	4,876	1,836	2,213	160

5.1.2 The below investments include shares with market value aggregating to Rs. 111.587 million (2024: Rs. 34.593 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of investee company	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	---- (Number of shares) ----		----- (Rupees in 000's) -----	
Maple Leaf Cement Factory Limited	5,000	5,000	421	190
Oil & Gas Development Company Limited	180,700	80,700	39,855	11,086
Pioneer Cement Limited	100,000	-	22,813	-
Pakistan Petroleum Limited	285,000	85,000	48,498	9,954
Exide Pakistan Limited	-	1,000	-	589
Hub Power Company Limited	-	15,000	-	2,446
Meezan Bank Limited	-	10,000	-	2,394
Sui Northern Gas Company Limited	-	125,000	-	7,934
	570,700	321,700	111,587	34,593

5.2 Government securities - GoP Ijara Sukuks

Islamic Asset Allocation Fund Plan 2

Particulars	Issue Date	Face value				As at June 30, 2025			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
(Rupees in '000)										
GoP Ijara Sukuk - 5 years	October 26, 2022	100,000	-	100,000	-	-	-	-	-	-
GoP Ijara Sukuk - 3 years	June 26, 2023	50,000	-	50,000	-	-	-	-	-	-
GoP Ijara Sukuk - 5 years	December 04, 2023	55,000	-	55,000	-	-	-	-	-	-
GoP Ijara Sukuk - 10 years - listed	October 21, 2024	-	62,500	62,500	-	-	-	-	-	-
GoP Ijara Sukuk - 10 years - listed	March 07, 2025	-	250,000	250,000	-	-	-	-	-	-
As at June 30, 2025						-	-	-		
As at June 30, 2024						205,395	208,067	2,672		

These carry effective yield at the rate Nil (2024: 15.75% to 23.60%) per annum.

HBL ISLAMIC ASSET ALLOCATION FUND

Notes to the Financial Statements

For the year ended June 30, 2025

5.3 Sukuk Bonds - at fair value through profit or loss

Name of the Investee Company	Issue date	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	As at June 30, 2025			Total investments Market value as percentage of	Market value as percentage of Net Assets
						Carrying value	Market value	Unrealised gain / (loss)		
Islamic Asset Allocation Fund Plan 1		----- (Number of certificates) -----				----- (Rupees in '000) -----			----- % -----	
Commercial Banks										
Al Baraka Bank Pakistan Limited	August 22, 2017	60	-	60	-	-	-	-	-	-
Al Baraka Bank Pakistan Limited	December 22, 2021	33	-	33	-	-	-	-	-	-
Dubai Islamic Bank Pakistan Limited- Tier II	December 02, 2022	39	-	39	-	-	-	-	-	-
Power Generation & Distribution										
Pakistan Energy Sukuk - II	May 21, 2020	115,500	-	115,500	-	-	-	-	-	-
K-Electric Limited - Sukuk V	August 03, 2020	2,920	-	2,920	-	-	-	-	-	-
Miscellaneous										
Ghani Chemical Industries Limited	January 16, 2024	1,200	-	1,200	-	-	-	-	-	-
As at June 30, 2025						-	-	-		
As at June 30, 2024						853,858	854,293	(435)		

Name of the Investee Company	Issue date	As at July 01, 2024	Purchased during the year	Sold / matured during the year	As at June 30, 2025	As at June 30, 2025			Total investments Market value as percentage of	Market value as percentage of Net Assets	
						Carrying value	Market value	Unrealised gain / (loss)			
						(Number of certificates)			(Rupees in '000)		(%)
Islamic Asset Allocation Fund Plan 2											
Commercial Banks											
Meezan Bank limited - Perpetual	August 01, 2018	12	-	12	-	-	-	-	-	-	
Dubai Islamic Bank Limited- Tier II	December 02, 2022	60	-	60	-	-	-	-	-	-	
Power Generation & Distribution											
Pakistan Energy Sukuk - II	May 21, 2020	12,000	-	12,000	-	-	-	-	-	-	
K-Electric Limited - Sukuk V	August 03, 2020	12,000	-	12,000	-	-	-	-	-	-	
Miscellaneous											
PIA Holding Company Limited	January 01, 2024	12,000	-	12,000	-	-	-	-	-	-	
Mughal Iron & Steel Industries Limited	March 02, 2021	85	-	85	-	-	-	-	-	-	
As at June 30, 2025						-	-	-			
As at June 30, 2024						257,747	259,882	2,135			

5.3.1 Sukuk Bonds - Non Performing Debt Instrument

Islamic Asset Allocation Fund Plan 1										
Name of security	Issue date	As at July 1, 2024	Purchased during the period	Sold / matured during the period	As at June 30, 2025	As at June 30, 2025			Value as a percentage of total investments	Value as a percentage of net assets
						Value before provision (Face value)	Provision against non-performing Securities	Value after provision		
		----- (Number of certificates) -----				----- (Rupees in '000) -----			----- (%) -----	
Agha Steel Industries Limited	August 17, 2023	33	-	-	33	22,440	(22,440)	-	-	-
As at June 30, 2025						22,440	(22,440)	-		
As at June 30, 2024						22,440	(4,488)	17,952		

Note	June 30 2025				June 30, 2024			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	(Rupees in '000)				(Rupees in '000)			

5.4 Unrealised gain on remeasurement of investments at fair value through profit or loss - net

Market value of investments	656,864	-	-	656,864	171,553	854,293	467,951	1,493,797
Less: cost / carrying value of investments	575,690	-	-	575,690	138,698	853,858	463,170	1,455,726
	81,174	-	-	81,174	32,855	435	4,781	38,071

6. PROFIT AND DIVIDEND RECEIVABLE

Profit receivable on:

Bank deposits	6.1	286	155	19	460	462	4,008	1,666	6,136
Sukuks bonds		-	-	-	-	-	25,506	4,706	30,212
GOP Ijara Sukuks		-	-	-	-	-	-	4,658	4,658
		286	155	19	460	462	29,514	11,030	41,006

- 6.1** These include a profit receivable from Habib Bank Limited, a related party, amounting to Rs. 0.14 million (2024: Rs. 0.04 million).

	June 30, 2025				June 30, 2024			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	(Rupees in '000)				(Rupees in '000)			
7. PRELIMINARY EXPENSES AND FLOTATION COSTS								
Opening balance	-	43	-	43	-	86	-	86
Less: amortised during the year / period	-	(43)	-	(43)	-	(43)	-	(43)
Closing balance	-	-	-	-	-	43	-	43

- 7.1** Preliminary expenses and flotation costs represent expenditure incurred prior to the commencement of operations of the IAAF Plan 1 and are being amortised over a year of five years commencing from the end of the initial offering year as per the requirements set out in the Trust Deed of the fund and the NBFC regulations.

	Note	June 30, 2025				June 30, 2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
		(Rupees in '000)				(Rupees in '000)			
8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES									
Security deposit with National Clearing Company of Pakistan Limited		2,500	-	-	2,500	2,500	4,074	-	6,574
Advance tax	8.1	463	-	-	463	509	1,367	-	1,876
Security deposit with Central Depository Company of Pakistan Limited		100	100	100	300	100	100	100	300
Other Receivables		121	-	-	121	121	-	-	121
Receivable from Management Company		-	-	-	-	351	-	-	351
		3,184	100	100	3,384	3,581	5,541	100	9,222

- 8.1** The income of the Fund is exempt from tax under Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The Management Company is confident that the same shall be refunded after filing refund application. Refund has been filed uptill tax year 2021.

	Note	June 30, 2025				June 30, 2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
		(Rupees in '000)				(Rupees in '000)			
9. PAYABLE TO THE MANAGEMENT COMPANY									
Remuneration payable to the Management Company	9.1	1,359	24	229	1,612	313	138	319	770
Sindh Sales Tax payable on Management Company's remuneration	9.2	204	4	34	242	41	18	41	100
Selling and marketing expense payable	9.3	-	-	-	-	69	-	-	69
Sales load payable		280	-	-	280	-	-	-	-
Payable to Management Company		-	-	2,500	2,500	-	-	-	-
Formation cost payable		-	245	155	400	-	245	155	400
		1,843	273	2,918	5,034	423	401	515	1,339

- 9.1** "The Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The management fee expense charged by the Management Company during the period is 0.15% to 3% (2024: 0.15% to 2.15%) of the average annual net assets accordingly. The fee is payable monthly in arrears.

During the year effective from September 05, 2024, Management Company has revised management fee rate upto 4% with the specific approval of SECP. "

9.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2024: 13%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

9.3 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund.

9.3 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expenses to the Fund.

		June 30, 2025				June 30, 2024				
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	
Note		(Rupees in '000)								
10.	PAYABLE TO THE TRUSTEE									
	Trustee's remuneration	10.1	97	2	26	125	31	71	37	139
	Sindh Sales Tax	10.2	15	-	4	19	4	9	5	18
			112	2	30	144	35	80	42	157

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund of 0.2% per annum of Net Assets under the provisions of the Trust Deed and tariff specified therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

10.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

	June 30, 2025					June 30, 2024			
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	
Note	(Rupees in '000)								
SECP fee payable	11.1	43	2	33	78	14	91	47	152

11.1 The Fund has charged SECP Fee at the rate of 0.095% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

		June 30, 2025				June 30, 2024			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Note		(Rupees in '000)							
12.	ACCRUED EXPENSES AND OTHER LIABILITIES								
	Withholding tax payable	3,979	-	7	3,986	1,872	43	251	2,166
	Charity payable	12.2	2,735	-	2,735	425	-	-	425
	Federal excise duty	12.1	1,063	-	1,063	1,063	-	-	1,063
	Payable to brokers	776	-	-	776	60	130	-	190
	Zakat Payable	270	-	-	270	-	-	-	-
	Auditors' remuneration payable	70	232	189	491	22	273	37	332
	Other payable	41	273	191	505	944	262	47	1,253
	Payable to NCCPL	30	163	29	222	19	10	53	82
	Payable to Shariah advisor	5	3	13	21	24	16	15	55
		8,969	671	429	10,069	4,429	734	403	5,566

12.1 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified

On September 04, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 1.063 million (2024: Rs. 1.063 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2025 would have been higher by Re. 0.2970 per unit (2024: Re. 0.9470 per unit)

12.2 This represents amount recognised to purify dividend income derived from non-Shariah compliant (haram) sources during the year. The charity amount is calculated using the purification ratio, which is determined by dividing the company's non-compliant (haram) income by its total revenue.

13. CONTINGENCIES AND COMMITMENTS

Other than already disclosed in these financial statements, there are no contingencies and commitments outstanding as at June 30, 2025 and June 30, 2024.

June 30, 2025				June 30, 2024			
Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
(Rupees in '000)							

14. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	1,123,014	11,216,044	5,922,233	18,261,291	990,052	19,035,929	4,890,279	24,916,260
Add: Units issued during the year	8,558,625	69,464	-	8,628,090	798,289	12,598,559	5,922,233	19,319,081
Less: Units redeemed during the year	(6,102,173)	(11,285,508)	(5,922,233)	(23,309,914)	(665,327)	(20,418,444)	(4,890,279)	(25,974,050)
Total units in issue at the end of the year	3,579,466	-	-	3,579,466	1,123,014	11,216,044	5,922,233	18,261,291

June 30, 2025				June 30, 2024			
Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
(Rupees in '000)							

15. AUDITORS' REMUNERATION

Annual audit fee	85	133	183	401	18	205	68	291
Fee for half yearly review	35	55	75	165	7	84	28	119
Other certifications	28	45	63	136	5	69	23	98
Out of pocket expenses	12	19	26	57	3	29	10	42
	160	252	347	759	33	387	129	550
Sales Tax	13	20	28	61	2	27	9	38
	173	272	375	820	36	415	138	588

16. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by accumulated losses and capital gains whether realised or unrealised, is distributed to the unit holders as cash dividend. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company intends to distribute more than 90 percent of the Fund's accounting income as reduced by accumulated losses and capital gains (whether realised or unrealised) for the year ending June 30, 2025 to its unit holders.

17. EARNINGS PER UNIT

Earnings Per Unit (EPU) has not been disclosed as in the opinion of management determination of cumulative weighted average number of outstanding units is not practicable.

17. TOTAL EXPENSE RATIO

HBL Islamic Asset Allocation

The annualised total Expense Ratio (TER) of the fund for the year ended June 30, 2025 is 4.81% (2024: 3.85%) which includes 0.69% (2024: 0.43%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio excluding government levies is 4.5% (2024: 4.5%) under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation'.

HBL Islamic Asset Allocation Plan I

The annualised total Expense Ratio (TER) of the fund for the year ended June 30, 2025 is 1.08% (2024: 0.70%) which includes 0.19% (2024: 0.12%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio excluding government levies is 4.5% (2024: 4.5%) under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation'.

HBL Islamic Asset Allocation Plan II

The annualised total Expense Ratio (TER) of the fund for the year ended June 30, 2025 is 1.05% (2024: 1.02%) which includes 0.20% (2024: 0.19%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. The prescribed limit for the ratio excluding government levies is 4.5% (2024: 4.5%) under the NBFC Regulations for a collective investment scheme categorised as an 'Asset Allocation'.

18. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties comprise of HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, collective investment schemes managed by the Management Company, directors and officers of the Management Company, Trustee and unit holders holding 10 percent or more units of the Fund.

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

Remuneration payable to the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Details of the transactions with connected persons / related parties during the year and balances with them, if not disclosed elsewhere in financial statements are as follows:

18.1 Transactions during the year

	June 30, 2025			June 30, 2024		
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
	(Rupees in '000)					
HBL Asset Management Limited						
- Management Company						
Management fee	15,184	1,696	4,069	2,349	2,503	3,576
Sindh Sales Tax	2,278	254	610	305	325	465
Allocated expenses	-	-	-	626	-	-
Selling and marketing expense	-	-	-	365	-	-
Formation cost	-	43	-	-	43	-
Issuance of nil units (2024: 32,878 units)	-	-	-	5,000	-	-
Redemption of 19,884 units (2024: Nil units)	5,000	-	-	-	-	-
Dividend of 413 units (2024: 496 units) - net	120	-	-	85	-	-
Refund of Capital of Nil units (2024: 1,042 units)	-	-	-	-	-	-
Amount received from Management Company against issuance to unitholders*	49	-	-	-	-	-
Habib Bank Limited - Sponsor						
Bank charges	-	-	-	25	-	-
Profit earned during the period	1,203	-	-	508	-	-
Central Depository Company of Pakistan Limited - Trustee						
Remuneration	1,012	246	469	288	1,251	412
Sindh Sales Tax	152	37	70	37	163	54
Central Depository service charges	95	8	2	42	33	10
HBL Asset Management Limited						
- Employees Gratuity Fund - Associate						
Dividend of 74 units (2024: 242 units)	18	-	-	42	-	-
HBL Asset Management Limited						
- Employees Provident Fund - Associate						
Dividend of 214 units (2024: 701 units)	53	-	-	120	-	-
PAK QATAR Investment Account						
Issuance of Nil Units (2024: 6,521,273 units)	-	-	-	-	805,519	-
Redemption of 7,934,444 Units (2024:11,012,424 units)	-	841,250	-	-	1,328,019	-
Refund of Capital of Nil units (2024: 1,413,174 units)	-	-	-	-	-	-

	June 30, 2025			June 30, 2024		
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
	----- (Rupees in '000) -----					
PAK QATAR Individual Family Participant Investment Fund						
Issuance of Nil Units (2024: 2,697,124 units)	-	-	-	-	333,154	-
Redemption of 3,281,597 Units (2024: 5,605,245 units)	-	340,035	-	-	655,654	-
Refund of Capital of Nil units (2024: 584,472 units)	-	-	-	-	-	-
HBL Islamic Income Fund						
Purchase of GoP Ijarah Sukuk	-	-	-	7,000	-	-
Sale of GoP Ijarah Sukuk	-	-	-	10,000	-	-
HBL Financial Sector Income Fund Plan - I						
Purchase of GoP Ijarah Sukuk	-	-	-	5,000	-	-
Dawood Family Takaful Limited - Aggressive Fund						
Issuance of Nil (2024: 636,751 units)	-	-	-	-	-	77,686
Dividend on Nil (2024: 1,629 units)	-	-	-	-	-	164
Redemption of 771,116 Units (2024: 636,751 units)	-	-	89,342	-	-	77,686
Dawood Family Takaful Limited - Balance Fund						
Issuance of Nil (2024: 2,211,835 units)	-	-	-	-	-	269,853
Dividend of Nil (2024: 5,659 units)	-	-	-	-	-	571
Redemption of 2,678,579 Units (2024: 2,211,835 units)	-	-	313,742	-	-	269,853
Dawood Family Takaful Limited - Income Fund						
Issuance of Nil (2024: 1,474,556 units)	-	-	-	-	-	179,902
Dividend of Nil (2024: 3,773 units)	-	-	-	-	-	381
Redemption of 1,785,719 Units (2024: 1,474,556 units)	-	-	206,376	-	-	179,902
Dawood Family Takaful Limited						
Issuance of Nil (2024: 567,137 units)	-	-	-	-	-	69,193
Dividend of Nil (2024: 1,455 units)	-	-	-	-	-	147
Redemption of 686,819 Units (2024: 567,137 units)	-	-	79,231	-	-	69,193
Director, Executives and Key Management Personal						
Issue of 114,519 units (2024: 88,214 units)	27,420	-	-	21,072	-	-
Redemption of 115,511 units (2024: 83,805 units)	25,488	-	-	17,949	-	-

*This represents amount reimbursed by the Management Company in relation to reversal of excess amount charged against reimbursement of allocated expenses as per the direction of Securities and Exchange Commission of Pakistan.

18.2 Amounts outstanding as at year end

HBL Asset Management Limited

- Management Company

	June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2025	June 30, 2024	June 30, 2024
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
	(Rupees in '000)					
Management fee	1,359	24	229	313	138	319
Sindh Sales Tax	204	4	34	41	18	41
Sales load payable	280	-	-	-	-	-
Selling and marketing expenses payable	-	-	-	69	-	-
Formation cost payable	-	245	155	-	245	155
Payable to Management Company	-	-	2,500	-	-	-
Investment held in the fund 14,945 units (June 30, 2024: 34,416 units)	8,716	-	-	5,966	-	-

Habib Bank Limited - Sponsor

Bank balances	184,170	-	-	4,627	-	-
Profit accrued on deposits	136	-	-	42	-	-

HBL Asset Management Limited

- Employees Gratuity Fund - Associate

Investment held in the Fund: 5,225 units (2024: 5,151 units)	1,323	-	-	893	-	-

HBL Asset Management Limited - Employees Provident Fund - Associate

Investment held in the Fund: 15,084 units (2024: 14,870 units)	3,820	-	-	2,578	-	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable	97	2	26	31	71	37
Sindh Sales Tax Payable	15	-	4	4	9	5
Security Deposit	100	100	100	100	100	100

PAK QATAR Individual Family Participant Investment Fund

Investment held in the Fund : Nil Units (2024: 3,281,597 units)	-	-	-	-	335,215	-

PAK QATAR Investment Account

Investment held in the Fund : Nil Units (2024: 7,934,444 units)	-	-	-	-	1,015,614	-

Dawood Faimly Takaful Limited - Aggressive Fund

Investment held in the Fund : Nil Units (2024: 771,116 units)	-	-	-	-	-	78,150

Dawood Faimly Takaful Limited - Balance Fund

Investment held in the Fund : Nil Units (2024: 2,678,579 units)	-	-	-	-	-	271,465

	June 30, 2025			June 30, 2024		
	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
	----- (Rupees in '000) -----					
Dawood Faimly Takaful Limited - Income Fund						
Investment held in the Fund : Nil Units (2024: 1,785,719 units)	-	-	-	-	-	180,977
Dawood Faimly Takaful Limited						
Investment held in the Fund : Nil Units (2024: 686,819 units)	-	-	-	-	-	69,606
Executives and their relatives						
Investment held in the Fund : 64,756 Units (2024: 65,748 units)	16,400	-	-	11,253	-	-
Connected person due to 10% holding or more						
Abdullah Farooq Azam						
Investment held in the Fund : Nil Units (June, 2024: 123,969 units)	-	-	-	21,490	-	-
Connected person due to 10% holding or more						
Tariq Mahmood Malik						
Investment held in the Fund : Nil Units (June, 2024: 187,104 units)	-	-	-	33,557	-	-
Connected person due to 10% holding or more						
Sheikh Riaz Ahmed						
Investment held in the Fund : 638,319 Units (June, 2024: Nil units)	161,658	-	-	-	-	-

19. 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 close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	quoted prices in active markets for identical assets or liabilities;	Listed government securities traded on PSX are valued at revaluation rates disseminated by PSX and listed equity securities are valued at quoted rates. The fair value of debt securities (other than government securities) is based on the value determined and announced by MUFAP.
Level 2:	those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKISRV). For Debt securities for which MUFAP valuation is not available are valued at face value of the securities.
Level 3:	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	The Fund applies discretion on the effective yield as per the allowable limits. The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/50 bps. For unrated securities the allowable limits +50 bps.

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

Particulars	As at June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----							

Financial assets measured at fair value

Listed equity securities	656,864	-	656,864	656,864	-	-	656,864

Financial assets not measured at fair value

Bank balances	-	344,973	344,973
Profit receivable	-	460	460
Deposits and other receivables	-	2,921	2,921
	-	348,354	348,354

Financial liabilities not measured at fair value

Payable to the Management Company	-	4,792	4,792
Payable to the Trustee	-	125	125
Payable against redemption of units	-	14,595	14,595
Payable against purchase of investment	-	69,180	69,180
Dividend Payable	-	62	62
Accrued expenses and other liabilities	-	4,612	4,612
	-	93,366	93,366

Particulars	As at June 30, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

----- (Rupees in '000) -----

Financial assets measured at fair value

Listed equity securities	171,553	-	171,553	171,553	-	-	171,553
GoP ijarah sukuks	208,067	-	208,067	-	208,067	-	208,067
Sukuk bonds	1,109,689	-	1,109,689	-	1,109,689	-	1,109,689
	1,489,309	-	1,489,309	171,553	1,317,756	-	1,489,309

Financial assets not measured at fair value

Bank balances	-	416,135	416,135
Profit receivable	-	41,006	41,006
Deposits and other receivables	-	7,346	7,346
	-	464,487	464,487

Financial liabilities not measured at fair value

Payable to the Management Company	-	1,240	1,240
Payable to the Trustee	-	139	139
Payable to PIA Holding Company Limited	-	1,458	1,458
Payable against purchase of investment	-	501	501
Dividend Payable	-	25	25
Accrued expenses and other liabilities	-	2,287	2,287
	-	5,650	5,650

20. FINANCIAL RISK MANAGEMENT

"The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risks of the Fund are being managed by the Management Company in accordance with the approved policies of the Investment Committee which provide broad guidelines for management of above mentioned risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework."

20.1 Market risk

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

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors of Management Company and the regulations laid down by the SECP, the NBFC regulations and the NBFC Rules.

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

20.1.1 Currency risk

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

20.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2025, the Fund is exposed to such risk on bank balances and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2025 details of Fund's interest bearing financial instruments were as follows:

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Variable rate instrument (financial asset)		
Bank balances	344,973	416,135
GoP ijarah sukuks	-	208,067
Sukuk bonds	-	1,109,689
	344,973	1,733,891

a) Sensitivity analysis for variable rate instruments

As at June 30, 2025, the Fund holds KIBOR based bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net assets value of the Fund and the net income for the year would have been higher / lower by Rs. 3.45 million (2024: Rs. 17.4 million).

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

As at June 30, 2025					
Yield / effective interest rate	Exposed to yield / interest risk				Total
	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	
----- % -----	----- Rupees in '000 -----				

On-balance sheet financial instruments

Financial Assets

Bank Balances	6 to 13.5	344,973	-	-	-	344,973
Investments						
- Listed equity securities		-	-	-	656,864	656,864
Profit receivable		-	-	-	460	460
Deposits and other receivable					2,921	2,921
		344,973	-	-	660,245	1,005,218

Financial Liabilities

Payable to the Management Company		-	-	-	4,792	4,792
Payable to the Trustee		-	-	-	125	125
Payable against redemption of units		-	-	-	14,595	14,595
Payable against purchase of investment		-	-	-	69,180	69,180
Dividend Payable		-	-	-	62	62
Accrued expenses and other liabilities		-	-	-	4,612	4,612
		-	-	-	93,366	93,366

As at June 30, 2024					
Yield / effective interest rate	Exposed to yield / interest risk				Total
	Up to three months	More than three months and up to one	More than one year	Not exposed to yield / interest risk	
----- % -----	Rupees in '000 -----				

On-balance sheet financial instruments

Financial assets

Bank balances	10 to 22.5	416,135	-	-	-	416,135
Investments						
- Listed equity securities		-	-	-	171,553	171,553
- GoP ijarah sukuks		-	-	208,067	-	208,067
- Sukuk bonds	20.39 to 23.24	59,892	-	1,049,797	-	1,109,689
Profit receivable		-	-	-	41,006	41,006
Deposits and other receivable		-	-	-	7,346	7,346
		476,027	-	1,257,864	219,905	1,953,796

Financial liabilities

Payable to the Management Company		-	-	-	1,240	1,240
Payable to the Trustee		-	-	-	139	139
Payable to PIA Holding Company Limited		-	-	-	1,458	1,458
Payable against purchase of investment		-	-	-	501	501
Dividend Payable		-	-	-	25	25
Accrued expenses and other liabilities		-	-	-	2,287	2,287
		-	-	-	5,650	5,650

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as Financial Asset at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities of not more than 10% of net assets of the Fund or issued capital of the investee company.

In case of 5% increase / (decrease) in price of all shares held by Fund at the year end, net loss for the year would decrease / increase by Rs 32.84 million (2024: Rs 8.58 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

20.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from bank balances and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2025		June 30, 2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	344,973	344,973	416,135	416,135
Investments	656,864	656,864	1,489,309	1,281,242
Profit receivable	460	460	41,006	41,006
Deposits and other receivable	2,921	2,921	7,346	7,346
	1,005,218	1,005,218	1,953,796	1,745,729

20.2.1 The analysis below summarises the credit quality of the Fund's bank balances and Investments as at June 30, 2025 and June 30, 2024:

	Amount (Rupees in '000)	Rating Agency	Rating
Bank balances by rating category			
Name of bank			
Habib Bank Limited	184,170	VIS	AAA
Bank Al Habib Limited	8,427	PACRA	AAA
National Bank Limited	256	PACRA	AAA
Allied Bank Limited	2,166	PACRA	AAA
Askari Bank Limited	15	PACRA	AA
Habib Metropolitan Bank Limited	6	PACRA	AA+
Dubai Islamic Bank Pakistam Limited	74,194	VIS	AA
Soneri Bank Limited	70	PACRA	AA-
BankIslami Pakistan Limited	1,633	PACRA	AA-
The Bank of Khyber Limited	2	VIS	AA-
Al Baraka Bank (Pakistan) Limited	73,698	VIS	AA-
MCB Bank Limited	57	PACRA	AAA
U-Micro Finance Bank Limited	19	PACRA	A+
Bank Alfalah Limited	11	PACRA	AAA
Faysal Bank Limited	238	PACRA	AA
Meezan Bank Limited	11	VIS	AAA
	344,972		
Bank balances by rating category			
Habib Bank Limited	4,627	AAA	VIS
Bank Al Habib Limited	479	AA+	PACRA
National Bank Limited	5	AAA	VIS
Allied Bank Limited	2,166	AAA	PACRA
Askari Bank Limited	15	AA+	PACRA
Habib Metropolitan Bank Limited	6	AA+	PACRA
Dubai Islamic Bank Pakistam Limited	4,315	AA	VIS
Soneri Bank Limited	29,164	AA-	PACRA
BankIslami Pakistan Limited	171,791	AA-	PACRA
The Bank of Khyber Limited	2	A+	PACRA
Al Baraka Bank (Pakistan) Limited	203,255	A+	VIS
MCB Bank Limited	57	A+	PACRA
U-Micro Finance Bank Limited	19	A+	PACRA
Bank Alfalah Limited	11	AAA	VIS
Faysal Bank Limited	213	AA	VIS
Meezan Bank Limited	11	AAA	VIS
	416,136		

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in government securities and bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the Government.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations arising from its financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the holder's option, however, the Fund does not anticipate significant redemption of units.

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

	June 30, 2025					
	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Rupees in '000					
Financial assets						
Bank balances	344,973	-	-	-	-	344,973
Investments	656,864	-	-	-	-	656,864
Profit receivable	460	-	-	-	-	460
Deposits and other receivable	2,921	-	-	-	-	2,921
	1,005,218	-	-	-	-	1,005,218
Financial liabilities						
Payable to Management Company	4,792	-	-	-	-	4,792
Payable to Trustee	125	-	-	-	-	125
Payable against redemption of units	14,595	-	-	-	-	14,595
Payable against purchase of investment	69,180	-	-	-	-	69,180
Dividend Payable	62	-	-	-	-	62
Accrued expenses and other liabilities	4,612	-	-	-	-	4,612
	93,366	-	-	-	-	93,366
On-balance sheet gap	911,852	-	-	-	-	
Total liquidity risk sensitivity gap	911,852	-	-	-	-	
Cumulative liquidity risk sensitivity gap	911,852	911,852	911,852	911,852	911,852	

June 30, 2024

Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total

----- Rupees in '000 -----

Financial assets

Bank balances	416,135	-	-	-	-	416,135
Investments	171,553	59,892	-	324,705	933,159	1,489,309
Profit receivable	41,006	-	-	-	-	41,006
Deposits and other receivable	7,346	-	-	-	-	7,346
	636,040	59,892	-	324,705	933,159	1,953,796

Financial liabilities

Payable to the Management Company	1,240	-	-	-	-	1,240
Payable to the Trustee	139	-	-	-	-	139
Payable to PIA Holding Company Limited	1,458	-	-	-	-	1,458
Payable against purchase of investment	501	-	-	-	-	501
Dividend Payable	25	-	-	-	-	25
Accrued expenses and other liabilities	2,287	-	-	-	-	2,287
	5,650	-	-	-	-	5,650

On-balance sheet gap	630,390	59,892	-	324,705	933,159	1,948,146

Total liquidity risk sensitivity gap	630,390	59,892	-	324,705	933,159	

Cumulative liquidity risk sensitivity gap	630,390	690,282	690,282	1,014,987	1,948,146	

21. UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The Fund is required by the NBFC Regulations, to maintain a minimum fund size of Rs.100 million, to be maintained all the time during the life of the scheme. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

22. LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Top ten brokers during the year ended June 30, 2025

1. Intermarket Securities Limited
2. Sherman Securities (Private) Limited
3. Insight Securities (Private) Limited
4. Alpha Capital (Pvt) Limited
5. Topline Securities Limited
6. Chase Securities Pakistan (Private) Limited
7. Arif Habib Limited
8. Next Capital Limited
9. Ktrade Securities Limited
10. AKD Securities Limited

Top ten brokers during the year ended June 30, 2024

1. Arif Habib Limited
2. Intermarket Securities Limited
3. BMA Capital Management Limited
4. Chase Securities Pakistan (Private) Limited
5. JS Global Capital Limited
6. Rafi Securities (Private) Limited
7. DJM Securities Limited
8. Taurus Securities Limited
9. Insight Securities (Private) Limited
10. KTrade Securities Limited (Formerly) Khadim Ali Shah Bukhari Securities Limited

23. INVESTMENT COMMITTEE

Details of members of the investment committee of the Fund are as follow:

S.no	Name	Designation	Qualification	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	26
2.	Mr. Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	30
3.	Mr. Rahat Saeed Khan	Head of Fixed Income	MBA	28
4.	Mr. Amin Muhammad	Head of Risk	MBA	33
5.	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	20
6.	Mr. Wasim Akram	Senior Fund Manager	MBA	22

At June 30, 2025

Number of unit holders	Number of units	Investment amount	Percentage investment
		(Rupees in '000)	%

24. PATTERN OF UNIT HOLDING

Islamic Asset Allocation Fund

Individuals	733	3,452,572	874,383	96.46
Banking and FIs	1	14,945	3,786	0.42
Retirement Fund	5	60,490	15,319	1.69
Others	1	51,459	13,032	1.44
	740	3,579,466	906,519	100.00

At June 30, 2024

Number of unit holders	Number of units	Investment amount	Percentage investment
		(Rupees in '000)	%

Islamic Asset Allocation Fund

Individuals	281	1,017,739	174,194	90.63
Retirement Funds	-	-	-	0.00
Trust	1	50,837	8,702	4.53
Associated Companies	4	54,437	9,317	4.84
Other corporate	-	-	-	0.00
	286	1,123,013	192,213	100.00

Islamic Asset Allocation Fund Plan 1

Insurance companies	3	11,216,044	1,146,800	100.00
	3	11,216,044	1,146,800	100.00

Islamic Asset Allocation Fund Plan 2

Insurance companies	4	5,922,233	595,444	100.00
	4	5,922,233	595,444	100.00

25. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2024, September 26, 2024, October 24, 2024, January 25, 2025, February 18, 2025, April 27, 2025, May 26, 2025, May 27, 2025 and June 04, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave	
1 Mr. Shahid Ghaffar **	9	9	-	-
2 Ms. Ava A. Cowasjee **	9	9	-	-
3 Mr. Rayomond H. Kotwal **	9	6	3	August 28,2024, May 27,2025 & June 04,2025
4 Mr. Abrar Ahmed Mir **	9	8	1	August 28,2024
5 Mr. Tariq Masaud **	9	8	1	October 24,2024
6 Mr. Abid Sattar *	6	6	-	-
7 Mr. Khalid Malik **	9	9	-	-
8 Mr. Habib Yousuf Habib ***	3	2	1	May 27,2025
9 Ms. Sheeza Ahmed ***	3	3	-	-

* Completed term and retire on April 28, 2025.

** Completed term and reappointed on April 29, 2025.

*** Appointed on April 29, 2025.

26. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

27. GENERAL

27.1 Figures have been rounded off to the nearest thousand rupees.

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



HBL Islamic Stock Fund

FUND INFORMATION

NAME OF FUND	HBL ISLAMIC STOCK FUND
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF AUDITORS	A.F. Ferguson & Co.
NAME OF SHARIAH ADVISORS	Al - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Habib Bank Limited Dubai Islamic Bank Limited Bank Islami Pakistan Limited Bank Al Baraka Limited

Type and Category of Fund

Open end Equity Fund

Investment Objective and Accomplishment of Objective

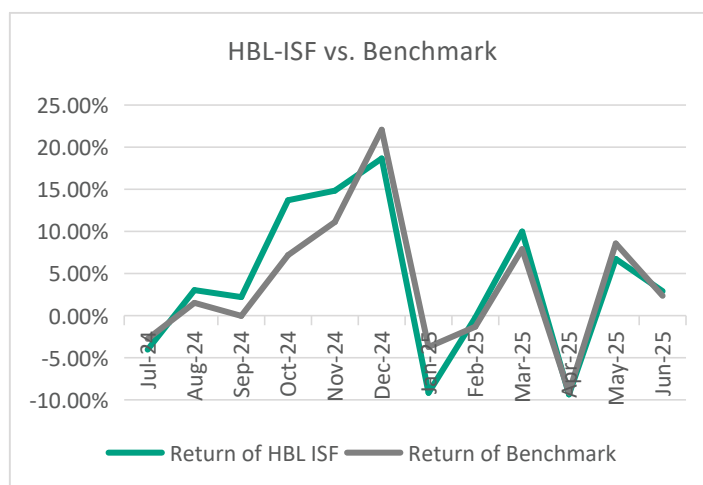
The investment objective of the Fund is to achieve long term capital growth by investing mainly in Shariah Complaint equity securities.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KMI-30 Index.

The comparison of the fund return with benchmark is given below:

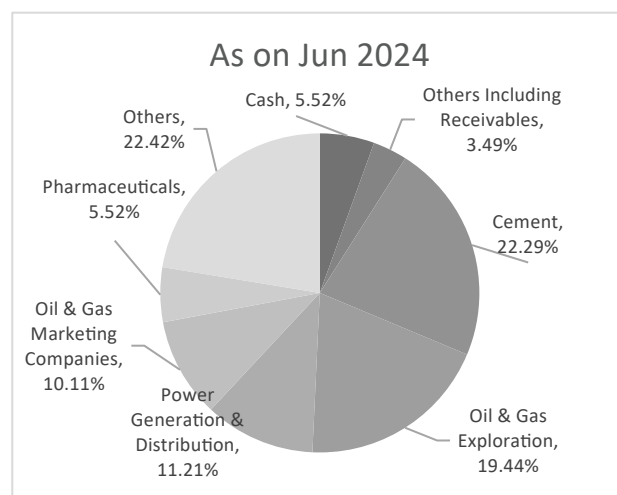
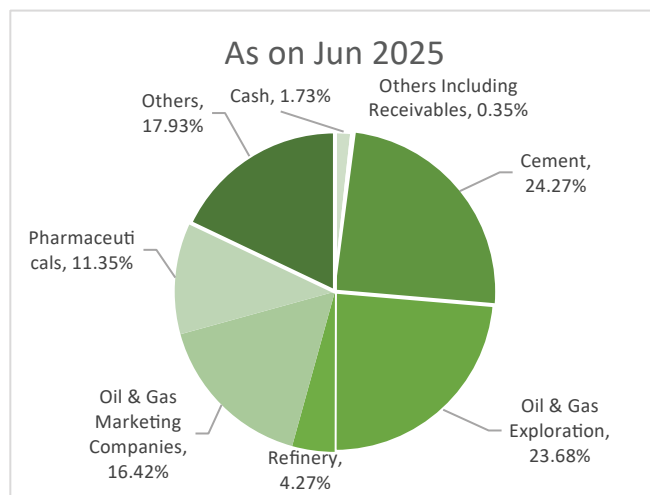
Month	Return of Fund	
	HBL-ISF	Benchmark
Jun-25	2.90%	2.35%
May-25	6.73%	8.57%
Apr-25	-9.36%	-9.13%
Mar-25	9.98%	7.89%
Feb-25	-0.23%	-1.32%
Jan-25	-9.17%	-3.73%
Dec-24	18.66%	22.07%
Nov-24	14.83%	11.11%
Oct-24	13.70%	7.18%
Sep-24	2.20%	-0.03%
Aug-24	3.03%	1.52%
Jul-24	-4.04%	-2.77%



Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equity from 90.99% of total assets as on June 30, 2024 to 97.93% of total assets as on June 30, 2025. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in oil & gas exploration, cement, and oil and gas marketing was increased, while exposure in power generation was decreased.

Asset Allocation



Significant Changes in Asset Allocation during the Year

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2025 and June 30, 2024:

Sector Name	As on Jun 2025	As on Jun 2024
Cash	1.73%	5.52%
Others Including Receivables	0.35%	3.49%
Cement	24.27%	22.29%
Oil & Gas Exploration	23.68%	19.44%
Refinery	4.27%	
Power Generation & Distribution		11.21%
Oil & Gas Marketing Companies	16.42%	10.11%
Pharmaceuticals	11.35%	5.52%
Others	17.93%	22.42%
Total	100.00%	100.00%

Fund Performance

The total and net income of the Fund was Rs. 189.44 million and Rs. 155.57 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 207.5929 per unit as on June 30, 2025 as compared to Rs. 133.6610 per unit as on June 30, 2024, thereby giving a return of 55.31% during the year, against the benchmark return (KMI 30 Index) of 46.24%. The size of Fund was Rs. 0.80 billion as on June 30, 2025 as compared to Rs. 0.14 billion at the start of the year.

Review of Market invested in

In FY25, KMI-30 Index gained 45% YoY in PKR terms and 43% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the KMI-30 has delivered a remarkable 161% cumulative return in PKR terms and 163% in USD terms, making it one of the best-performing Shariah-compliant equity indices globally over this period.

This rally was underpinned by macroeconomic stability achieved through the IMF program, completion of the first IMF review in March 2025, aggressive monetary easing from 20.5% to 11%, Fitch's upgrade of Pakistan's credit rating from CCC+ to B-, improving macro indicators, and improved liquidity as flows shifted from fixed income to equities. As per Bloomberg data, Pakistan's market ranked as the 8th best-performing market globally in FY25 on a standalone basis with a 57% USD return, but over the two-year period, it stood out as the best performer worldwide.

The sectors that majorly contributed to the performance in FY25 were Commercial Banks (+15,155 pts), Fertilizer (+9,716 pts), Oil and Gas Exploration Companies (+6,865 pts) and Cements (+5,622 pts). Whereas script wise major contribution came from FFC (+6,305 pts), UBL (+5,305 pts), MARI (+2,648 pts), LUCK (+2,536pts) and OGDC (+2,082pts).

After peaking at 20.5%, the interest rate cycle reversed sharply in FY25, with the policy rate cut to 11% by June 2025 on the back of a drastic decline in inflation. Headline CPI has averaged in the low single digits, providing ample room for monetary easing. The successful completion of the first review under the 3-year IMF EFF program, improving macroeconomic indicators, Fitch's upgrade of Pakistan's credit rating to B-, and strong corporate earnings outlook have further strengthened investor confidence. Alongside, a weakening oil price outlook and continued multilateral and bilateral funding support are expected to sustain the positive momentum in equities.

We expect the positive momentum in Pakistan's equity markets to continue, driven by sustained monetary easing, stable macroeconomic indicators, and robust corporate earnings growth. Improving credit outlook and ongoing IMF support provide further room for market rerating. However, risks remain from geopolitical tensions, global commodity price shocks, etc.

Distribution

The Fund as distributed null dividend for the year ended June 30 2025.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size

From – To (No. of units)	No. of Unit Holders	Total No. of Units Held
1 – 100	655	12,845
101 – 500	187	49,983
501 – 1,000	77	55,811
1,001 – 10,000	152	464,138
10,001 – 100,000	65	1,852,511
500,001 – 1,000,000	-	-
100,001 – 500,000	7	1,437,466
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	1,143	3,872,754

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL ISLAMIC STOCK FUND

	2025	2024	2023	2022	2021	2020	2019
Net assets at the period end(Rs'000)	803,956	141,953	158,685	411,039	760,471	555,017	635,161
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES							
Redemption	207.5929	133.661	77.9684	88.4322	123.9845	93.6585	91.2924
Offer	212.3675	136.6817	79.7305	90.4308	126.7865	95.7752	93.3556
OFFER / REDEMPTION DURING THE PERIOD - RUPEES							
✓ Highest offer price per unit	220.9885	143.063	94.4487	129.4982	131.925	119.9859	118.7495
✓ Lowest offer price per unit	129.2092	83.8151	75.0873	110.2125	97.9654	74.3357	89.5553
Highest redemption price per unit	216.0200	139.9012	92.3613	126.6362	129.0094	117.3341	116.1251
Lowest redemption price per unit	126.3042	81.9627	73.4278	107.7767	95.8003	72.6928	87.5761
RETURN (%)							
✓ Total return	55.31%	75.47%	11.83%	28.67%	32.38%	2.95%	18.36%
✓ Income distribution	0.00%	4.04%	0.00%	0.00%	0.00%	0.32%	0.00%
Capital growth	55.31%	71.43%	- 11.83%	28.67%	32.38%	2.63%	18.36%
DISTRIBUTION							
Final dividend distribution- Rs	0	3.15	-	-	-	0.32	-
Date of Income Distribution	N/A	2024-06-28	-	-	-	26-Jun-20	-
Total dividend distribution for the year/ period	0	3.15	-	-	-	0.32	-
AVERAGE RETURNS (%)							
Average annual return 1 year	55.31%	75.47%	11.83%	28.67%	32.38%	2.95%	18.36%
Average annual return 2 year	65.08%	24.38%	20.70%	2.83%	16.74%	8.32%	16.21%
Average annual return 3 year	33.94%	3.34%	5.93%	0.94%	3.62%	10.25%	4.38%
PORTFOLIO COMPOSITION - (%)							
Percentage of Total Assets as at 30 June:							
Bank Balances	1.73%	5.52%	9%	3%	5%	6%	8%
GoP Ijarah Sukuks							
Placement with Banks and DFIs							
Corporate Sukuks							
Stock / Equities	97.93%	90.99%	85%	95%	94%	93%	89%
Others	0.35%	3.49%	6%	2%	1%	1%	3%

Note:

✓ The Launch date of the Fund is May 10, 2011

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Summary of Actual Proxy voted by CIS

HBLISF	Meetings	Resolutions	For	Against
Number	5	11	11	-
(%ages)				-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Air Link Communication Ltd	2024-08-27	2025-03-27
Attock Cement Pakistan Ltd	2024-10-21	
Attock Refinery Ltd	14/10/2024 17-10-24	2024-07-12
Avanceon Limited	2025-05-30	
BF Biosciences Limited	2024-10-28	
Cherat Cement Company Ltd	2024-10-16	
Crescent Steel & Allied Products Limited	2024-10-28	
DG Khan Cement Co Ltd	2024-10-18	
Engro Fertilizer Limited	2025-03-24	
Engro Holding Limited	2025-04-25	
Fauji Cement Company Ltd	2024-10-14	2024-12-10
Fauji Fertilizer Bin Qasim Ltd		19/08/2024 4-11-24
Fauji Fertilizer Company Ltd	2025-03-25	08/10/2024 4-11-24
GHANDHARA AUTOMOBILES LIMITED	2024-10-24	2025-02-04
Ghandhara Industries Limited	2024-10-24	
Gharibwal Cement	2024-10-24	
GLAXOSMITHKLINE PAKISTAN LIMITED	2025-04-28	
Hub Power co. Ltd	30-Sep-24	
Habib Bank Limited	2025-03-26	
Honda Atlas Cars (Pakistan) Limited		
Loads Limited	2024-10-24	
LUCKY CEMENT LTD	2024-08-26	2025-03-18
Maple Leaf Cement Ltd.		
Mari Energies Limited	2024-09-24	2024-12-19
Meezan Bank Ltd	2025-03-28	2024-11-18
Netsol Technologies Limited	2024-10-18	2024-12-31
NISHAT MILLS LIMITED	2024-10-28	
Oil & Gas Development Co Ltd	2024-10-25	
PAK ELEKTRON	2025-04-29	
PAKISTAN PETROLEUM LIMITED	2024-10-25	
Pakistan Refinery Ltd	2024-10-19	
Pakistan State Oil Company Ltd	2024-10-24	
Pakistan Stock Exchange Limited	2024-10-28	
PAKISTAN TELECOMMUNICATION COMPANY	2025-04-25	2024-11-06
Pioneer Cement Co Limited	2024-10-28	
Sazgar Engineering Works Limited	2024-10-26	
Secure Logistics Group Ltd		
SUI NORTHERN GAS PIPELINES LIMITED	2024-08-21	
SUI SOUTHERN GAS COMPANY LIMITED	29/11/2024 16-6-25	
Synthetic Products Enterprises Limi		21/02/2025 1-3-25
Systems Limited	2025-04-28	
Thatta Cement Company Limited	2024-10-15	2024-12-09
THE HUB POWER COMPANY LIMITED		
The Organic Meat Company Limited	2024-10-28	2025-01-25
SHIFA INTERNATIONAL HOSPITAL LTD	2024-10-28	
SITARA CHEMICAL LIMITED	2024-10-24	
Tariq Glass Industries Ltd	2024-10-28	
The Searle Comp	2024-10-28	

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC STOCK FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2025





ASSET MANAGEMENT LTD.
ایسٹیت میجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Stock Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

UAN (021) 111-425-262
Fax (021) 35168455
www.hblasasset.com

September 23, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Stock Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبيينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Islamic Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Islamic Stock Fund (the Fund / Collective Investment Scheme), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	Net Asset Value (NAV) (Refer notes 5 and 6 to the financial statements)	
	The bank balances and investments constitute the most significant component of the net asset value. The bank balances and investments of the Fund as at June 30, 2025, amounted to Rs. 145.559 million and Rs. 883.568 million respectively. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2025, was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: - obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2025, and traced balances in these confirmations with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; - re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and - obtained bank reconciliation statements and tested reconciling items on a sample basis.

A.F.F.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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■ KARACHI ■ LAHORE ■ ISLAMABAD



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Other Information

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

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

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

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

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

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

Board of directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

HHO



A.F. FERGUSON & CO.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with board of directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with board of directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- b) proper books and records have been kept by the Collective Investment Scheme and the financial statements prepared are in agreement with the books and records of the Collective Investment Scheme; and
- c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A.F. Ferguson & Co.
A. F. Ferguson & Co.
Chartered Accountants
Karachi

Dated: September 26, 2025

UDIN: AR202510061bJEA1jVF

	Note	2025	2024
		----- Rupees in '000 -----	
ASSETS			
Bank balances	5	145,559	8,560
Investments	6	883,568	141,143
Dividend and profit receivable	7	524	421
Receivable against sale of investments		-	92
Deposits and other receivable	8	3,000	3,000
Receivable from HBL Asset Management Limited - Management Company	9	1,488	1,957
Total assets		<u>1,034,139</u>	<u>155,173</u>
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	10	4,634	278
Payable to Central Depository Company of Pakistan Limited - Trustee	11	187	24
Payable to the Securities and Exchange Commission of Pakistan	12	79	10
Payable against purchase of investments		28,783	4,843
Payable against redemption of units		174,099	-
Accrued expenses and other liabilities	13	22,401	8,065
Total liabilities		<u>230,183</u>	<u>13,220</u>
NET ASSETS		<u>803,956</u>	<u>141,953</u>
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		<u>803,956</u>	<u>141,953</u>
CONTINGENCIES AND COMMITMENTS	14		
		----- Number of units -----	
NUMBER OF UNITS IN ISSUE	18	<u>3,872,754</u>	<u>1,062,035</u>
		----- Rupees -----	
NET ASSET VALUE PER UNIT		<u>207.5929</u>	<u>133.6610</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Income Statement
For the year ended June 30, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
INCOME			
Dividend income		22,459	5,308
Profit on savings accounts with banks		5,140	3,249
Gain on sale of investments - net		115,183	51,769
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.2	46,657	10,535
		161,840	62,304
Total income		189,439	70,861
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	10.1 & 10.2	17,346	2,823
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh Sales Tax)	10.3	-	484
Selling and marketing expenses (including Sindh Sales Tax)	10.4	-	417
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	11.1 & 11.2	1,325	258
Fee to the Securities and Exchange Commission of Pakistan	12.1	562	108
Auditors' remuneration	15	1,020	780
Settlement and bank charges		1,201	428
Securities transaction costs		8,929	1,954
Fees and subscription		444	517
Charity expense		4,534	289
Reimbursement from HBL Asset Management Limited - Management Company		(1,488)	(1,957)
Total expenses		33,873	6,101
Net income for the year before taxation		155,566	64,760
Taxation	17	-	-
Net income for the year after taxation		155,566	64,760
Allocation of net income for the year			
Net income for the year after taxation		155,566	64,760
Income already paid on units redeemed		(155,566)	(43,175)
		-	21,585
Accounting income available for distribution			
- Relating to capital gains		-	20,502
- Excluding capital gains		-	1,083
		-	21,585

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

	2025	2024
	----- Rupees in '000 -----	
Net income for the year after taxation	155,566	64,760
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>155,566</u>	<u>64,760</u>

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Stock Fund
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2025

	2025			2024		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
Rupees in '000						
Net assets at the beginning of the year	579,380	(437,427)	141,953	616,234	(457,549)	158,685
Issuance of 20,883,017 units (2024: 4,556,911 units)						
- Capital value (at net asset value per unit at the beginning of the year)	2,791,245	-	2,791,245	355,295	-	355,295
- Element of income	1,183,550	-	1,183,550	171,928	-	171,928
Total proceeds on issuance of units	3,974,795	-	3,974,795	527,223	-	527,223
Redemption of 18,072,298 units (2024: 5,530,127 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(2,415,561)	-	(2,415,561)	(431,175)	-	(431,175)
- Element of loss	(897,231)	(155,566)	(1,052,797)	(131,090)	(43,175)	(174,265)
Total payment on redemption of units	(3,312,792)	(155,566)	(3,468,358)	(562,265)	(43,175)	(605,440)
Total comprehensive income for the year	-	155,566	155,566	-	64,760	64,760
Distribution for the year ended June 30, 2024 (cash distribution @ Rs. 3.15 per unit declared on June 28, 2024)	-	-	-	(1,812)	(1,463)	(3,275)
Net assets at the end of the year	<u>1,241,383</u>	<u>(437,427)</u>	<u>803,956</u>	<u>579,380</u>	<u>(437,427)</u>	<u>141,953</u>
Accumulated loss brought forward comprising of:						
- Realised loss		(447,962)			(452,577)	
- Unrealised income / (loss)		10,535			(4,972)	
		<u>(437,427)</u>			<u>(457,549)</u>	
Accounting income available for distribution:						
- Relating to capital gains	-			20,502		
- Excluding capital gains	-			1,083		
				21,585		
Distribution during the year	-			(1,463)		
Accumulated loss carried forward		<u>(437,427)</u>			<u>(437,427)</u>	
Accumulated loss carried forward comprising of:						
- Realised loss		(484,084)			(447,962)	
- Unrealised income		46,657			10,535	
		<u>(437,427)</u>			<u>(437,427)</u>	
		(Rupees)			(Rupees)	
Net asset value per unit at the beginning of the year		<u>133.6610</u>			<u>77.9684</u>	
Net asset value per unit at the end of the year		<u>207.5929</u>			<u>133.6610</u>	

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

	Note	2025	2024
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		155,566	64,760
Adjustments for:			
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.2	(46,657)	(10,535)
Profit on savings accounts with banks		(5,140)	(3,249)
Dividend income		(22,459)	(5,308)
		81,310	45,668
(Increase) / decrease in assets			
Investments - net		(671,736)	20,521
Receivable from HBL Asset Management Limited - Management Company		469	512
		(671,267)	21,033
Increase / (decrease) in liabilities			
Payable to HBL Asset Management Limited - Management Company		4,356	(617)
Payable to Central Depository Company of Pakistan Limited - Trustee		163	(5)
Payable to the Securities and Exchange Commission of Pakistan		69	(33)
Accrued expenses and other liabilities		14,336	(333)
		18,924	(988)
Profit received		5,046	3,187
Dividend received		22,450	5,250
Net cash (used in) / generated from operating activities		(543,537)	74,150
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		3,974,795	527,223
Payment against redemption and conversion of units		(3,294,259)	(605,440)
Cash dividend paid		-	(1,463)
Refund of capital		-	(1,812)
Net cash generated from / (used in) financing activities		680,536	(81,492)
Net increase / (decrease) in cash and cash equivalents during the year		136,999	(7,342)
Cash and cash equivalents at the beginning of the year		8,560	15,902
Cash and cash equivalents at the end of the year	5	145,559	8,560

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 23, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 10, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund has been categorised as a Shariah compliant equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The Fund is an open-ended shariah compliant fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.
- 1.4** The principal objective of the Fund is to provide long-term capital growth by investing mainly in shariah compliant equity securities and short-term government securities.
- 1.5** VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating to 'AM1' dated December 31, 2024 (2024: 'AM1' dated December 29, 2023) and the outlook on the rating has been assigned as 'Stable' (2024: Stable). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.
- 1.6** The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2 BASIS OF PRESENTATION

The transactions undertaken by the Fund in accordance with the process prescribed under the Shariah guidelines issued by the Shariah Advisor are accounted for on substance rather than the form prescribed by the aforementioned guidelines. This practice is being followed to comply with the requirements of the accounting and reporting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance 1984; and

- The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

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

"There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2024. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been disclosed in these financial statements."

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2025. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for the following:

- the new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB, IFRS 18 is yet to be applicable in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements; and
- amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers with effective of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

3.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (notes 4.2 and 6) and provision for Federal excise duty (note 13.2).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' which are measured at their respective fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets has been disclosed in note 22.

3.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

4.1 Cash and cash equivalents

These comprise balances with banks, cheques in hand and other short-term highly liquid investments with original maturities of three months or less.

4.2 Financial assets

4.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

4.2.2 Classification and subsequent measurement

4.2.2.1 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 profit 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 Fair Value through Other Comprehensive Income (FVOCI). The management considers its investment in equity securities being managed as a group of assets and hence has classified them as Fair Value through Profit or Loss (FVTPL). Accordingly, the irrevocable option has not been considered.

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

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

4.2.3 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and

- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

4.2.4 Regular way contracts

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

4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

4.3 Financial liabilities

4.3.1 Classification and subsequent measurement

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

4.3.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

4.4 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.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

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

4.6 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 net assets of the Fund by the number of units in circulation at the year end.

4.7 Issue and redemption of units

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

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

4.8 Distributions to the unit holders

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

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

4.9 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement on the date when the transaction takes place;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the year in which these arise.
- Dividend income is recognised when the Fund's right to receive the dividend is established.
- Profit on bank balances is recognised on a time proportion basis, using effective yield rate method.

4.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee, fee to the SECP are recognised in the Income Statement on an accrual basis.

4.12 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

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

4.13 Treatment of Shariah non - compliant income

Dividend income earned by the Fund may contain shariah non-compliant income. The Fund is required to "purify" the dividend it receives by excluding the element of impermissible income as charity. Such purification is carried out in accordance with the guidelines approved by the Shariah Advisor of the Fund. The charity has been recorded as an expense in the 'Income Statement' in the financial statements of the Fund.

	Note	2025	2024
		----- Rupees in '000 -----	
5 BANK BALANCES			
Savings accounts	5.1	145,559	8,560

5.1 These include balances amounting to Rs. 7.088 million (2024: Rs. 5.846 million) with Habib Bank Limited (a related party) and carry profit at the rate of 11.11% (2024: 16%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 5.00% to 10.60% (2024: 18.50% to 20.80%) per annum.

	Note	2025	2024
		----- Rupees in '000 -----	
6 INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities	6.1	883,568	141,143

6.1 Quoted equity securities

Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealized appreciation / (diminution) as at June	Market value as a percentage of Total market value of	Net assets of the	Holding as a percentage of paid-up capital of investee
(Number of shares)						----- Rupees in '000 -----					
Engineering											
International Steels Limited	13,000	-	-	13,000	-	-	-	-	-	-	-
Aisha Steel Mills Limited	63,299	298,500	-	361,799	-	-	-	-	-	-	-
Amreli Steels Limited	28,500	-	-	28,500	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	45,500	8,000	-	53,500	-	-	-	-	-	-	-
Agha Steel Industries Limited	112,000	-	-	112,000	-	-	-	-	-	-	-
Cement											
D.G. Khan Cement Company Limited (note 6.1.2)	116,894	670,434	-	592,594	194,734	26,365	32,240	5,875	3.65%	4.01%	0.04%
Lucky Cement Limited * (note 6.1.1)	-	100,000	-	53,500	46,500	16,435	16,519	84	1.87%	2.05%	0.00%
Maple Leaf Cement Factory Limited (note 6.1.2)	240,710	3,240,290	-	2,651,001	829,999	55,930	69,952	14,022	7.92%	8.70%	0.08%
Fauji Cement Company Limited (note 6.1.2)	426,500	3,068,500	-	2,711,000	784,000	36,664	35,021	(1,643)	3.96%	4.36%	0.03%
Pioneer Cement Limited (note 6.1.2)	21,900	531,418	-	407,401	145,917	30,260	33,288	3,028	3.76%	4.14%	0.06%
Thatta Cement Company Limited	-	32,046	-	32,046	-	-	-	-	-	-	-
Flying Cement Company Limited	171,000	129,000	-	300,000	-	-	-	-	-	-	-
Attock Cement Pakistan Limited (note 6.1.4)	-	458,705	-	349,386	109,319	24,514	31,987	7,473	3.62%	3.98%	0.08%
Cherat Cement Company Limited	-	133,000	-	133,000	-	-	-	-	-	-	-
Gharibwal Cement Limited	-	210,000	-	210,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	15,247	-	15,247	-	-	-	-	-	-	-
						190,168	219,007	28,839	24.78%	27.23%	
Balance carried forward						190,168	219,007	28,839			

HBL Islamic Stock Fund

Notes to the financial statements

For the year ended June 30, 2025

Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / right shares received during the	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealized appreciation / (diminution) as at June	Market value as a percentage of		Holding as a percentage of paid-up capital of investee	
									Total market value of	Net assets of the		
(Number of shares)						Rupees in '000'						
Balance brought forward						190,168	219,007	28,839				
Power generation & distribution												
The Hub Power Company Limited (note 6.1.2)	98,142	236,158	-	267,800	66,500	9,241	9,164	(77)	1.04%	1.14%	0.01%	
K-Electric Limited (note 6.1.1)	300,000	13,716,000	-	9,418,000	4,598,000	23,554	24,140	586	2.73%	3.00%	0.02%	
						32,795	33,304	509	3.77%	4.14%		
Pharmaceuticals												
The Searle Company Limited (note 6.1.3)	19,168	133,300	-	89,500	62,968	5,851	5,522	(329)	0.62%	0.69%	0.01%	
Abbott Laboratories (Pakistan) Limited	3,350	30,437	-	8,743	25,044	27,097	24,344	(2,753)	2.76%	3.03%	0.03%	
Ferozsons Laboratories Limited	8,700	-	-	8,700	-	-	-	-	-	-	-	
AGP Limited (note 6.1.2)	7,500	208,959	-	112,001	104,458	16,144	19,946	3,802	2.26%	2.48%	0.04%	
Highnoon Laboratories Limited	3,000	25,900	-	11,597	17,303	15,044	17,095	2,051	1.93%	2.13%	0.03%	
GlaxoSmithKline Pakistan Limited (note 6.1.2)	-	189,100	-	136,679	52,421	20,783	20,482	(301)	2.32%	2.55%	0.02%	
Haleon Pakistan Limited	-	67,201	-	46,760	20,441	16,208	15,051	(1,157)	1.70%	1.87%	0.02%	
						101,127	102,440	1,313	11.60%	12.74%		
Miscellaneous												
Pakistan Hotels Developers Limited	-	8,000	-	8,000	-	-	-	-	-	-	-	
Shifa International Hospital Limited	-	22,559	-	-	22,559	9,003	10,718	1,715	1.21%	1.33%	0.04%	
						9,003	10,718	1,715	1.21%	1.33%		
Oil & gas exploration companies												
Pakistan Oilfields Limited	-	2,500	-	2,500	-	-	-	-	-	-	-	
Oil & Gas Development Company Limited (note 6.1.2)	93,100	1,543,100	-	1,155,500	480,700	104,487	106,023	1,536	12.00%	13.19%	0.01%	
Pakistan Petroleum Limited (note 6.1.2)	103,587	1,640,563	-	1,123,350	620,800	109,167	105,642	(3,525)	11.96%	13.14%	0.02%	
Mari Energies Limited * (notes 6.1.2 and 6.1.3)	2,002	140,629	31,448	170,934	3,145	2,024	1,972	(52)	0.22%	0.25%	0.00%	
						215,678	213,637	(2,041)	24.18%	26.58%		
Paper & board												
Century Paper & Board Mills Limited	78,500	-	-	78,500	-	-	-	-	-	-	-	
						-	-	-	-	-		
Glass & ceramics												
Tariq Glass Industries Limited	18,368	123,500	-	79,868	62,000	9,869	15,573	5,704	1.76%	1.94%	0.04%	
						9,869	15,573	5,704	1.76%	1.94%		
Oil & gas marketing companies												
Pakistan State Oil Company Limited (notes 6.1.2 and 6.1.3)	48,950	786,000	-	495,500	339,450	124,859	128,153	3,294	14.50%	15.94%	0.07%	
Sui Northern Gas Pipelines Limited (note 6.1.2)	119,126	1,648,000	-	1,595,626	171,500	19,940	20,016	76	2.27%	2.49%	0.03%	
						144,799	148,169	3,370	16.77%	18.43%		
Refinery												
Attock Refinery Limited (note 6.1.2)	4,900	235,625	-	183,800	56,725	37,608	38,540	932	4.36%	4.79%	0.05%	
National Refinery Limited	4,250	-	-	4,250	-	-	-	-	-	-	-	
Pakistan Refinery Limited	-	701,254	-	701,254	-	-	-	-	-	-	-	
						37,608	38,540	932	4.36%	4.79%		
Commercial banks												
Meezan Bank Limited	12,000	125,165	-	137,165	-	-	-	-	-	-	-	
BankIslami Pakistan Limited	67,767	16,000	-	83,767	-	-	-	-	-	-	-	
						-	-	-	-	-		
Fertilizer												
Fauji Fertilizer Bin Qasim Limited	35,000	87,000	-	122,000	-	-	-	-	-	-	-	
Engro Fertilizers Limited	-	30,671	-	30,671	-	-	-	-	-	-	-	
Agritech Limited	-	203,079	-	203,079	-	-	-	-	-	-	-	
						-	-	-	-	-		
Technology & communication												
Systems Limited (note 6.1.1)	3,150	309,000	-	3,150	309,000	31,799	33,106	1,307	3.75%	4.12%	0.02%	
Avanceon Limited	-	40,055	-	40,055	-	-	-	-	-	-	-	
TPL Trakker Limited	656,000	-	-	-	656,000	4,067	4,677	610	0.53%	0.58%	0.35%	
Air Link Communication Limited	-	56,150	-	56,150	-	-	-	-	-	-	-	
Pakistan Telecommunication Company Limited	-	460,000	-	460,000	-	-	-	-	-	-	-	
						35,866	37,783	1,917	4.27%	4.70%		
Food & personal care products												
National Foods Limited (note 6.1.1)	-	69,849	-	19,849	50,000	12,356	16,362	4,006	1.85%	2.04%	0.02%	
						12,356	16,362	4,006	1.85%	2.04%		
Automobile parts & accessories												
Atlas Battery Limited	2,500	-	-	2,500	-	-	-	-	-	-	-	
Baluchistan Wheels Limited	9,310	1,600	-	10,910	-	-	-	-	-	-	-	
						-	-	-	-	-		
Balance carried forward						789,269	835,533	46,264				

HBL Islamic Stock Fund

Notes to the financial statements

For the year ended June 30, 2025

Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealized appreciation / (diminution) as at June	Market value as a percentage of		Holding as a percentage of
									Total market value of	Net assets of the	paid-up capital of investee
	(Number of shares)					Rupees in '000'					
Balance brought forward						789,269	835,533	46,264			
Automobile assembler											
Al-Ghazi Tractors Limited (note 6.1.1)	2,700	24,010	-	14,862	11,848	6,358	5,006	(1,352)	0.57%	0.62%	0.02%
Honda Atlas Cars (Pakistan) Limited	16,900	35,400	-	52,300	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	38,000	-	38,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	740	39,459	-	40,199	-	-	-	-	-	-	-
Atlas Honda Limited	-	4,679	-	4,679	-	-	-	-	-	-	-
Gandhara Automobiles Limited	-	56,500	-	56,500	-	-	-	-	-	-	-
						6,358	5,006	(1,352)	0.57%	0.62%	
Chemical											
Biafo Industries Limited	-	127,004	-	7,600	119,404	20,846	20,970	124	2.37%	2.61%	0.26%
Descon Oxychem Limited	-	70,000	-	70,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	-	27,000	-	-	27,000	12,150	13,387	1,237	1.52%	1.67%	0.13%
						32,996	34,357	1,361	3.89%	4.27%	
Inv. Banks / Inv. Cos. / Securities Cos.											
Engro Holdings Limited *	-	163,000	-	115,500	47,500	8,288	8,672	384	0.98%	1.08%	0.00%
						8,288	8,672	384	0.98%	1.08%	
Property											
TPL Properties Limited	47,117	-	-	47,117	-	-	-	-	-	-	-
						-	-	-	-	-	-
Total as at June 30, 2025						836,911	883,568	46,657			
Total as at June 30, 2024						130,608	141,143	10,535			

* Nil figures due to rounding off difference

6.1.1 All shares have a nominal value of Rs. 10 each except for the shares of following:

Name of investee company	Nominal value per share as on June 30, 2025	Subdivision of shares during the year	Additional number of shares received on account of subdivision of shares during the year
	(Rupees)		
K-Electric Limited	3.50	-	-
National Foods Limited	5.00	-	-
Systems Limited	2.00	On June 2, 2025 from Rs. 10 to Rs. 2 per share	-
Lucky Cement Limited	2.00	On April 28, 2025 from Rs. 10 to Rs. 2 per share	21,200
Al-Ghazi Tractors Limited	5.00	-	-

6.1.2 The above investments include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the SECP. The details of shares which have been pledged are as follows:

	2025	2024	2025	2024
	--- (Number of shares) ---		----- Rupees in '000 -----	
AGP Limited	50,000	-	9,548	-
Attock Refinery Limited	21,000	-	14,268	-
D.G. Khan Cement Company Limited	50,000	-	8,278	-
Fauji Cement Company Limited	3,000	-	134	-
GlaxoSmithKline Pakistan Limited	50,321	-	19,661	-
Maple Leaf Cement Factory Limited	476,700	86,700	40,176	3,295
Oil & Gas Development Company Limited	260,400	57,400	57,434	7,770
Pioneer Cement Limited	62,826	4,000	14,332	675
Pakistan Petroleum Limited	452,200	52,200	76,951	6,113
Pakistan State Oil Company Limited	107,000	7,000	40,396	1,163
Sui Northern Gas Pipelines Limited	100,000	60,000	11,671	3,808
Mari Energies Limited	-	1,000	-	2,712
The Hub Power Company Limited	-	21,000	-	3,425
	1,633,447	289,300	292,849	28,961

6.1.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ended June 30, 2019, the CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honorable High of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies.

Furthermore, the Finance Act, 2023 has introduced Section 236Z of the Income Tax Ordinance, 2001 (ITO) effective from July 1, 2023, which mandates listed companies to withhold ten percent shares out of bonus shares issued to the Fund. The share so withheld are to be released if the Fund deposits tax equivalent to ten percent of the value of bonus share issues to the Fund. Such tax is to be deposited within fifteen days of the book closure of the respective dividend. In case of failure of the Fund to pay, the issuer company is liable to pay the tax and dispose of the bonus shares to recover the amount paid.

In this regard, a petition was filed by the Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition is based on the grounds that since the CISs are exempt from levy of income tax in terms of 99 of Part-I of the Second Schedule to the ITO, no tax is payable by the Fund under Section 236Z of the ITO. During the current period, the Honorable High Court of Sind has issued notices to the relevant parties and ordered to retain the bonus shares being withheld and no tax shall be paid under section 236Z of the ITO till further orders by the Court.

As at June 30, 2025, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Company	2025		2024	
	----- Bonus shares -----			
	Number of shares withheld	Market value as at June 30, 2025	Number of shares withheld	Market value as at June 30, 2024
	Rupees in '000		Rupees in '000	
The Searle Company Limited	2,968	260	2,968	170
Pakistan State Oil Company Limited	850	321	850	141
Mari Energies Limited	3,145	1,972	-	-
	6,963	2,553	3,818	311

- 6.1.4** On June 2, 2025, Pakistan Stock Exchange (PSX) issued a notice no PSX/N-570 regarding the recomposition exercise carried out by PSX on KMI All Share Islamic Index. In the stated notice, Attock Cement Pakistan Limited was declared as non-compliant of the index and hence is considered to be a non-compliant investment as at June 30, 2025. However, the shares were compliant according to the KMI All Share Islamic Index at the time of investment. The Fund may retain previously purchased shares until the next two quarters after Shariah status is updated. The Fund is required to disclose the shariah non-compliant investments in accordance with the additional disclosure requirements enacted vide SECP's S.R.O.600(I)2025 dated April 10, 2025.

	Note	2025	2024
		----- Rupees in '000 -----	
6.2 Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'			
Market value of investments	6.1	883,568	141,143
Less: carrying value of investments	6.1	<u>(836,911)</u>	<u>(130,608)</u>
		<u>46,657</u>	<u>10,535</u>

7 DIVIDEND AND PROFIT RECEIVABLE

Dividend receivable	105	96
Profit receivable	<u>419</u>	<u>325</u>
	<u>524</u>	<u>421</u>

8 DEPOSITS AND OTHER RECEIVABLE

Security deposit with:		
- National Clearing Company of Pakistan Limited	2,500	2,500
- Central Depository Company of Pakistan Limited	100	100
Advance tax	8.1	<u>400</u>
		<u>3,000</u>
		<u>3,000</u>

- 8.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs. 0.4 million (2024: Rs. 0.4 million).

For this purpose, the MUFAP on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honorable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividends and profit on bank deposits has been shown as other receivables as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9 RECEIVABLE FROM HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

As per SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the TER in respect of each CIS to ensure the TER is not in breach of the required maximum percentage. The AMCs are required to adjust the NAV of the CIS on the basis of TER at the end of each quarter during the financial year for the amount of expenses in excess of the TER limit prescribed in regulation 60(5) of the NBFC Regulations.

During the year ended June 30, 2025 and June 30, 2024, the Fund was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as an 'Equity Scheme'. As a result the Fund recorded receivable from Management Company to comply with the TER.

	Note	2025	2024
		----- Rupees in '000 -----	
10 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY			
Remuneration payable	10.1	2,503	212
Sindh Sales Tax payable on remuneration of the Management Company	10.2	376	27
Sales load payable		1,755	39
Allocated expenses related to registrar services, accounting, operation and valuation services payable	10.3	-	-
Selling and marketing expenses payable	10.4	-	-
		<u>4,634</u>	<u>278</u>

10.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the Total Expense Ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 2.3% to 3% (2024: 2% to 3%) per annum of the daily net assets of the Fund during the year ended June 30, 2025. The remuneration is payable to the Management Company monthly in arrears.

The remuneration is payable to the Management Company monthly in arrears.

During the year ended June 30, 2025, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, introduced the management fee cap of 3% to be calculated on a per annum basis of the average daily net assets, applicable to an "Equity Scheme". This revision is effective from July 1, 2025.

10.2 Sindh Sales Tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

Further, Sindh Sales Tax at the rate of 15% has also been levied on any reimbursable expenditure to the Management Company effective July 1, 2024 vide Sindh Finance Act, 2024.

10.3 In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services related to a Collective Investment Scheme (CIS).

The Management Company based on its own discretion has not charged such expenses during the year ended June 30, 2025 (2024: 0% to 0.67% per annum of the average daily net assets of the Fund).

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services has been excluded. This amendment was effective immediately upon its release on April 10, 2025. No expense were charged to the Fund in this respect during the year.

- 10.4** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company, based on its own discretion has not charged such expenses during the year ended June 30, 2025 (2024: 0% to 1.05% per annum of the average daily net assets of the Fund), while keeping in view the overall return and Total Expense Ratio limit of the Fund as defined under the NBFC Regulations.

Further, the SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, has issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing services has been excluded. This amendment was effective immediately upon its release on April 10, 2025. No expense were charged to the Fund in this respect during the year.

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025	2024
			----- Rupees in '000 -----	
	Trustee fee payable	11.1	163	21
	Sindh Sales Tax payable on trustee fee	11.2	24	3
			<u>187</u>	<u>24</u>

- 11.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average daily net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

The tariff structure applicable to the Fund for the year ended June 30, 2025 and June 30, 2024 is as follows:

Tariff structure	
Net assets	Fee
Up to Rs. 1,000 million	0.2% per annum of NAV.
Exceeding Rs. 1,000 million	Rs. 2 million plus 0.10% per annum of NAV on amount exceeding Rs. 1,000 million.

- 11.2** Sindh Sales Tax levied through Sindh Sales Tax on Services Act, 2011 on remuneration of the Trustee has been enhanced from the rate of 13% to 15% (2024: 13%) effective July 1, 2024 vide Sindh Finance Act, 2024.

12	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025	2024
			----- Rupees in '000 -----	
	Fee payable	12.1	<u>79</u>	<u>10</u>

- 12.1** In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.095% per annum of the daily net assets of the Fund, applicable to an "Equity Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.095% (2024: 0.095%) per annum of the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

13	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2025	2024
			----- Rupees in '000 -----	
	Charity payable	13.1	4,534	289
	Federal excise duty payable on Management Company's remuneration	13.2	6,785	6,785
	Withholding tax payable		1,706	264
	Auditors' remuneration		376	298
	Securities transaction costs payable		57	45
	Zakat Payable		113	104
	Others		<u>8,830</u>	<u>280</u>
			<u>22,401</u>	<u>8,065</u>

- 13.1** According to the instructions of the Shariah Advisor, any income earned by the Fund from investments whereby portion of the investment of investee company has been made in Shariah non-compliant avenues, such proportion of income of the Fund from those investments should be given away for charitable purposes directly by the Fund.

Accordingly, during the year ended June 30, 2025, Shariah non - compliant income amounting to Rs. 4.542 million (2024: Rs. 0.289 million) was charged as charity expense and Rs. 0.289 million was disbursed to the charitable / welfare organisations.

- 13.2** The Finance Act, 2013 enlarged the scope of Federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 6.785 (2024: Rs. 6.785 million) million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV of the Fund would have been higher by Rs. 1.75 (2024: Rs. 6.39) per unit.

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 and June 30, 2024.

15	AUDITORS' REMUNERATION	2025	2024
		----- Rupees in '000 -----	
	Annual audit fee	324	270
	Half yearly review	216	180
	Tax consultancy fee and other certification	314	204
	Out of pocket	81	68
		<u>935</u>	<u>722</u>
	Sales tax	85	58
		<u>1,020</u>	<u>780</u>

16 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 5.03% (2024: 5.10%) which includes 0.71% (2024: 0.60%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 4.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity Scheme'.

During the year ended June 30, 2025, the SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the TER limit with effect from July 01, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 10.1 of these financial statements.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2025 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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.

	2025	2024
	----- Numbers of units -----	
18 NUMBER OF UNITS IN ISSUE		
Units in issue at the beginning of the year	1,062,035	2,035,251
Units issued during the year	20,883,017	4,556,911
Units redeemed during the year	(18,072,298)	(5,530,127)
Total units in issue at the end of the year	<u>3,872,754</u>	<u>1,062,035</u>

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Accounting and operational expenses and selling and marketing expense are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

19.1 Transactions during the year

HBL Asset Management Limited - Management Company

Management remuneration including Sales Tax thereon
Allocation of expenses related to registrar services, accounting, operation and valuation services
Selling and marketing expenses
Reimbursement from HBL Asset Management Limited - Management Company
Issue of Nil units (2024: 39,464 units)

2025	2024
----- Rupees in '000 -----	
17,346	2,823
-	484
-	417
1,488	1,957
-	5,119

Transactions during the year

DCCL Trustee - HBL Islamic Financial Planning Fund

- Conservative Allocation Plan - Associate

Redemption of Nil units (2024: 1,726 units)

2025	2024
----- Rupees in '000 -----	
-	177

Habib Bank Limited - Sponsor

Bank charges paid
Profit on bank deposits earned
Issue of 2,193 units (2024: Nil units)

196	64
2,530	431
455	-

Central Depository Company of Pakistan Limited - Trustee

Trustee remuneration including Sales Tax thereon
Service charges

1,325	258
290	70

Executives and their relatives

Issue of 441,833 units (2024: 65,687 units)
Redemption of 394,383 units (2024: 54,721 units)

81,485	7,679
78,696	6,168

Pak Qatar Family Takaful Limited

Redemption of Nil units (2024: 621,176 units)

-	52,517

HBL Asset Management Limited Employees Provident Fund

Issue of Nil units (2024: 10,722 units)
Redemption of Nil units (2024: 10,722 units)

-	1,500
-	1,486

19.2 Balances outstanding as at year end

HBL Asset Management Limited - Management Company

Remuneration payable including Sales Tax thereon
Sales load payable
Receivable from HBL Asset Management Limited - Management Company
Outstanding: 39,464 units (2024: 39,464 units)

2,879	239
1,755	39
1,488	1,957
8,192	5,275

Habib Bank Limited - Sponsor

Bank deposits
Profit receivable
Outstanding: 2,193 units (2024: Nil units)

7,088	5,846
133	108
455	-

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable including Sales Tax thereon
Security deposit

187	24
100	100

Executives and their relatives

Outstanding: 64,838 units (2024: 17,387 units)

13,459	2,324

20 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

Bank balances	145,559	-	145,559
Investments	-	883,568	883,568
Dividend and profit receivable	524	-	524
Receivable from HBL Asset Management Limited - Management Company	1,488	-	1,488
Deposits	2,600	-	2,600
	<u>150,171</u>	<u>883,568</u>	<u>1,033,739</u>

Financial liabilities

Payable to HBL Asset Management Limited - Management Company	4,634	-	4,634
Payable to Central Depository Company of Pakistan Limited - Trustee	187	-	187
Payable against purchase of investments	28,783	-	28,783
Payable against redemption of units	174,099	-	174,099
Accrued expenses and other liabilities	13,797	-	13,797
	<u>221,500</u>	<u>-</u>	<u>221,500</u>

2025		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		

2024		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		

Financial assets

Bank balances	8,560	-	8,560
Investments	-	141,143	141,143
Dividend and profit receivable	421	-	421
Receivable against sale of investments	92	-	92
Receivable from HBL Asset Management Limited - Management Company	1,957	-	1,957
Deposits	2,600	-	2,600
	<u>13,630</u>	<u>141,143</u>	<u>154,773</u>

Financial liabilities

Payable to HBL Asset Management Limited - Management Company	278	-	278
Payable to Central Depository Company of Pakistan Limited - Trustee	24	-	24
Payable against purchase of investments	4,843	-	4,843
Accrued expenses and other liabilities	912	-	912
	<u>6,057</u>	<u>-</u>	<u>6,057</u>

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

21.1 Market risk

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

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the SECP.

Market risk comprises of three types of risk; Yield / Profit rate risk, currency risk and price risk.

(i) Profit rate risk

Profit rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2025, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow and profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 1.456 million (2024: Rs. 0.086 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025 and June 30, 2024, the Fund do not hold any fixed rate instrument that may expose the Fund to fair value interest rate risk.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's Profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 and June 30, 2024 can be determined as follows:

On-balance sheet financial instruments

Financial assets

Bank balances	5.00% to 11.11%
Investments	
Dividend and profit receivable	
Receivable from HBL Asset Management Limited - Management Company	
Deposits	

Financial liabilities

Payable to HBL Asset Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable against purchase of investments
Payable against redemption of units
Accrued expenses and other liabilities

As at June 30, 2025					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Upto three months	More than three months and upto one	More than one year		

Rupees in '000

145,559	-	-	-	145,559
-	-	-	883,568	883,568
-	-	-	524	524
-	-	-	1,488	1,488
-	-	-	2,600	2,600
145,559	-	-	888,180	1,033,739

-	-	-	4,634	4,634
-	-	-	187	187
-	-	-	28,783	28,783
-	-	-	174,099	174,099
-	-	-	13,797	13,797
-	-	-	221,500	221,500

On-balance sheet gap (a)

145,559	-	-	666,680	812,239

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total profit rate sensitivity gap (a+b)

145,559	-	-	-	-

Cumulative profit rate sensitivity gap

145,559	145,559	145,559	-	-

On-balance sheet financial instruments

Financial assets

Bank balances	16.00% to 20.80%
Investments	
Dividend and profit receivable	
Receivable from HBL Asset Management Limited - Management Company	
Deposits	
Receivable against sale of investments	

Financial liabilities

Payable to HBL Asset Management Limited - Management Company
Payable to Central Depository Company of Pakistan Limited - Trustee
Payable against purchase of investments
Accrued expenses and other liabilities

As at June 30, 2024					
Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / Profit rate risk	Total
	Upto three months	More than three months and upto one	More than one year		

Rupees in '000

8,560	-	-	-	8,560
-	-	-	141,143	141,143
-	-	-	421	421
-	-	-	1,957	1,957
-	-	-	2,600	2,600
-	-	-	92	92
8,560	-	-	146,213	154,773

-	-	-	278	278
-	-	-	24	24
-	-	-	4,843	4,843
-	-	-	912	912
-	-	-	6,057	6,057

On-balance sheet gap (a)

8,560	-	-	140,156	148,716

Off-balance sheet financial instruments

-	-	-	-	-

Off-balance sheet gap (b)

-	-	-	-	-

Total profit rate sensitivity gap (a+b)

8,560	-	-	-	-

Cumulative profit rate sensitivity gap

8,560	8,560	8,560	-	-

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations, 2008 also limit individual equity securities to no more than 15% of net assets and issued capital of the investee company and sector exposure limit to 40% of the net assets.

In case of 1% increase / decrease in KMI All Share index on June 30, 2025, with all other variables held constant, the total net income of the Fund for the year would increase / decrease by Rs. 8.836 million (2024: Rs. 1.411 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KMI All Share index.

21.2 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

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

The table below summaries the maturity profile of the Fund's financial instruments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting year to the contractual maturity dates. However, the liabilities that are payable on demand have been included in the maturity grouping of one month:

Financial liabilities

Payable to HBL Asset Management Limited
- Management Company
Payable to Central Depository Company
of Pakistan Limited - Trustee
Payable against purchase of investments
Payable against redemption of units
Accrued expenses and other liabilities

2025						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees in '000						
4,634	-	-	-	-	-	4,634
187	-	-	-	-	-	187
28,783	-	-	-	-	-	28,783
174,099	-	-	-	-	-	174,099
13,421	376	-	-	-	-	13,797
221,124	376	-	-	-	-	221,500

Financial liabilities

Payable to HBL Asset Management Limited
- Management Company
Payable to Central Depository Company
of Pakistan Limited - Trustee
Payable against purchase of investments
Accrued expenses and other liabilities

2024						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Rupees in '000						
278	-	-	-	-	-	278
24	-	-	-	-	-	24
4,843	-	-	-	-	-	4,843
614	298	-	-	-	-	912
5,759	298	-	-	-	-	6,057

21.3 Credit risk

21.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2025		2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000				
Bank balances	145,559	145,559	8,560	8,560
Investments	883,568	-	141,143	-
Dividend and profit receivable	524	524	421	421
Receivable against sale of investments	-	-	92	92
Receivable from HBL Asset Management Limited - Management Company	1,488	1,488	1,957	1,957
Deposits	2,600	2,600	2,600	2,600
	1,033,739	150,171	154,773	13,630

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 is the carrying amount of the financial assets. The difference is because of investment in equity securities which are not exposed to credit risk.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

21.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit accrued thereon. The credit rating profile of balances with banks is as follows:

Rating category	Percentage of financial assets exposed to credit risk	
	2025	2024
AAA	0.88%	3.81%
AA *	0.00%	0.55%
AA-	17.22%	1.17%
A+	-	0.21%
	<u>18.10%</u>	<u>5.74%</u>

* Nil due to rounding off

21.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

The Fund does not have any collateral against any of the aforementioned assets.

22 FAIR VALUE MEASUREMENT

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 are based on the quoted market prices at the close of trading on the period end 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.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: 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); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2025 and June 30, 2024, the Fund held the following financial instruments measured at fair values:

	2025			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets 'at fair value through profit or loss'				
Quoted equity securities	883,568	-	-	883,568
	2024			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Quoted equity securities	141,143	-	-	141,143

Valuation technique used in determination of fair values is as follows:

Item	Valuation technique
Ordinary shares - listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.

There were no transfers between levels during the year.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 21, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

24 UNIT HOLDING PATTERN OF THE FUND

Category	2025			
	Number of unit holders	Number of unit held	Investment amount	Percentage of investments
	Rupees in '000			
Individuals	1,129	3,731,459	774,625	96.35%
Associated Company	1	2,193	455	0.06%
Other Corporates	4	98,943	20,540	2.55%
Asset Management Company	1	39,464	8,192	1.02%
Retirement Funds	4	59	12	0.00%
Insurance company	2	624	130	0.02%
Trust	2	12	2	0.00%
	1,143	3,872,754	803,956	100%

Category	-2024-			
	Number of unit holders	Number of unit held	Investment amount	Percentage of investments
			Rupees in '000	
Individuals	459	878,956	117,482	82.76%
Associated Company	2	39,464	5,275	3.72%
Other Corporates	3	70,612	9,438	6.65%
Insurance company	1	73,003	9,758	6.87%
Trust *	1	-	-	-
	466	1,062,035	141,953	100%

* Nil due to rounding off

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION

-2025-		-2024-	
Name of broker		Name of broker	
Sherman Securities (Private) Limited		Intermarket Securities Limited	
Intermarket Securities Limited		KTrade Securities Limited (Formerly) Khadim	
DJM Securities Limited		Ali Shah Bukhari Securities Limited	
Arif Habib Limited		Arif Habib Limited	
JS Global Capital Limited		Insight Securities (Private) Limited	
Darson Securities (Private) Limited		Sherman Securities (Private) Limited	
Ktrade Securities Limited		EFG Hermes Pakistan Limited	
Optimus Capital Management (Private) Limited		Chase Securities Pakistan (Private) Limited	
BMA Capital Management Limited		JS Global Capital Limited	
Spectrum Securities Limited		Spectrum Securities (Private) Limited	
		DJM Securities Limited	

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Following are the details in respect of members of the Investment Committee of the Fund:

Name	Designation	Qualification	Overall experience
Mir Adil Rashid	Chief Executive Officer	BSc	26 + years
Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29 + years
Faqir Syed	Head of Risk	MBA	32 + years
Wasim Akram	Senior Fund Manager	MBA	21 + years

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2024, September 26, 2024, October 24, 2024, January 25, 2025, February 18, 2025, April 17, 2025, May 26, 2025, May 27, 2025 and June 4, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave Granted	
Mr. Shahid Ghaffar	9	9	-	-
Ms. Ava A. Cowasjee	9	9	-	-
Mr. Rayomond H. Kotwal	9	6	3	August 28, 2024, May 27, 2025 and June 4, 2025
Mr. Abrar Ahmed Mir	9	8	1	August 28, 2024
Mr. Tariq Masaud	9	8	1	October 24, 2024
Mr. Abid Sattar *	9	6	-	May 26, 2025, May 27, 2025 and June 4, 2025
Mr. Khalid Malik	9	9	-	-
Mr. Habib Yousuf Habib *	9	3	1	May 27, 2025
Ms. Sheeza Ahmed *	9	3	-	-

* Mr. Abid Sattar retired on April 28, 2025, and Mr. Habib Yousuf Habib and Ms. Sheeza Ahmed was subsequently appointed on April 29, 2025.

GENERAL

- 28.1** Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosures.
- 28.2** Figures have been rounded off to the nearest thousand rupees.
- 28.3** Units have been rounded off to the nearest decimal place.
- 29** **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



HBL Islamic Income Fund

FUND INFORMATION

NAME OF FUND	HBL ISLAMIC INCOME FUND
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF AUDITORS	BDO Ebrahim & Co. Chartered Accountants
NAME OF SHARIAH ADVISORS	Al - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Bank Islami Pakistan Limited Bank Al Baraka Limited Faysal Bank Limited Habib Bank Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Soneri Al Tijarah MCB Islamic Bank Limited U Microfinance Bank National Bank Limited

Type and Category of Fund

Open end Shariah Compliant Income Fund

Investment Objective and Accomplishment of Objective

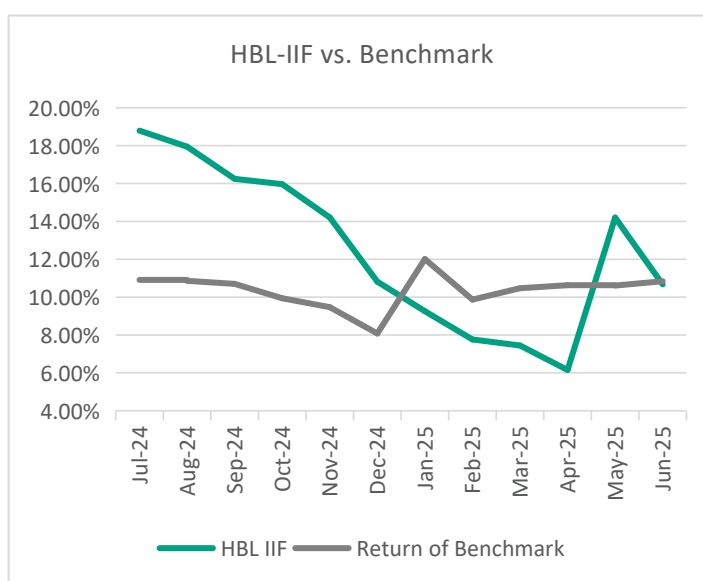
The objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

The comparison of the fund return with benchmark is given below:

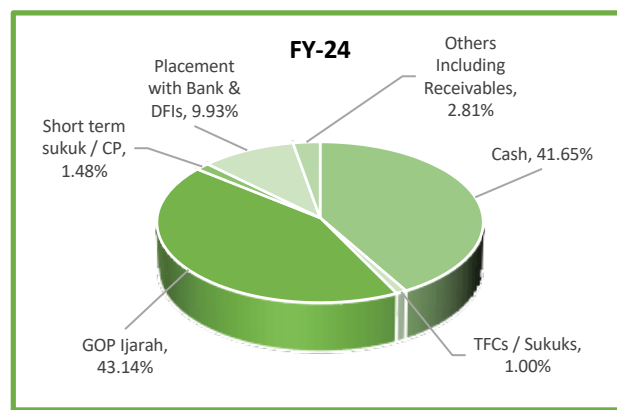
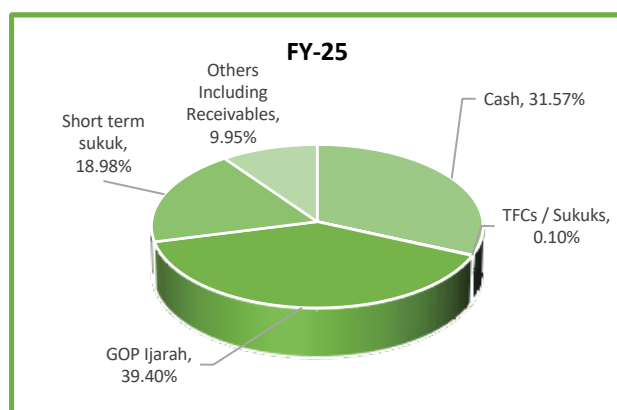
Month	Return of Fund	
	HBL -IIF	Benchmark
Jun-25	10.67%	10.84%
May-25	14.20%	10.61%
Apr-25	6.15%	10.63%
Mar-25	7.45%	10.47%
Feb-25	7.76%	9.87%
Jan-25	9.26%	12.01%
Dec-24	10.82%	8.08%
Nov-24	14.21%	9.47%
Oct-24	15.96%	9.94%
Sep-24	16.25%	10.70%
Aug-24	17.95%	10.86%
Jul-24	18.79%	10.91%



Strategies and Policies employed during the Year

During the year, funds were majorly invested in GoP Ijarah Sukuk at 39.40% of total assets and placed at high rates as Cash Deposits, comprising 31.57% of total assets. Other investments included Sukuks and CPs comprising 19.08% of total assets to support the funds bottom line. HBL Islamic Income Fund posted an annualized return of 13.23% compared to benchmark return of 10.73%.

Asset Allocation



Fund Performance

The total income and net income of the Fund was Rs. 2.69 billion and Rs. 2.33 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 104.0599 per unit as on June 30, 2025 (after incorporating dividend of Rs. 13.35 per unit) as compared to Rs. 103.7234 per unit as on June 30, 2024, thereby giving an annualized return of 13.23%. During the same year the benchmark return (6 Month bank deposit rates) was 10.73%. The size of Fund was Rs. 17.57 billion as on June 30, 2025 as compared to Rs. 14.90 billion at the start of the year.

Money Market Review

During FY25, the SBP shifted to an aggressive monetary easing stance, cutting the policy rate from 20.5% at the start of the year to 11% by June 2025, as inflation declined sharply into low single digits.

The year witnessed a sharp reversal in the interest rate cycle, with money market yields declining substantially across the curve as expectations of monetary easing strengthened. After touching the highs of 23.78%, 24.51%, 24.73%, 21.16% and 17.93% in the previous year, secondary market yields have sharply retreated to 11.01%, 10.89%, 10.85%, 11.15% and 11.40% for 3M, 6M, 12M, 3Y and 5Y tenors respectively by the end of FY25.

It is also pertinent to highlight that in the Sukuk market, the government raised PKR 43.6B from Fixed Rental Rate (FRR) Sukuk against the target of PKR 75B in the June 25th auction. Yields stood at 10.86% for the 3-year Sukuk and 11.39% for the 5-year Sukuk. In the Variable Rental Rate (VRR) Sukuk auction, the government successfully raised PKR 159.9B exceeding the target of 50B. In the last fixed-rate discounted Ijara Sukuk of FY25, the government raised PKR 47.8B against the target of PKR 75B at 10.45%.

With inflation expected to remain anchored in single digits and growth still below potential, the possibility of further monetary easing in FY26 remains high.

Distribution

The Fund has distributed cash dividend up-to Rs. 13.35 per unit for the year ended June 30, 2025.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Fund.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 – 100	1,919	24,646
101 – 500	312	81,891
501 – 1,000	183	137,860
1,001 – 10,000	841	3,993,746
10,001 – 100,000	1,036	37,611,571
500,001 – 1,000,000	40	27,886,276
100,001 – 500,000	265	57,203,562
1,000,001 – 5,000,000	17	29,660,338
5,000,001 and above	2	12,253,253
Total	4,615	168,853,143

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL ISLAMIC INCOME FUND

	2025	2024	2023	2022	2021	2020	2019
Net assets at the period end (Rs'000)	17,570,846	14,899,335	7,735,701	4,670,836	1,020,180	1,417,621	3,103,484
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES							
Redemption	104.0599	103.7234	103.2208	102.7607	101.7500	101.5299	101.4883
Offer	106.4533	105.4815	104.9704	104.5025	103.4747	103.2508	103.2085
OFFER / REDEMPTION DURING THE PERIOD - RUPEES							
Highest offer price per unit - Class C	119.1147	127.3300	122.2475	114.6920	108.6293	113.8448	103.2085
Lowest offer price per unit - Class C	105.5746	105.0260	104.6571	103.5054	103.2850	103.2321	102.6902
Highest offer price per unit - Class D	119.1147	127.3300	122.2475	114.6920	108.6293	113.8448	110.9432
Lowest offer price per unit - Class D	105.5746	105.0260	104.6571	103.5054	103.2850	103.2321	103.0902
Highest redemption price per unit	117.0891	125.2077	120.2099	112.7804	106.8187	111.9473	109.0941
Lowest redemption price per unit	103.7792	103.2755	102.9127	101.7802	101.5635	101.5115	101.3719
RETURN (%)							
Total return	10.67%	21.83%	17.55%	11.14%	5.45%	10.31%	7.85%
Income distribution	12.87%	21.31%	17.03%	10.30%	5.30%	10.45%	7.75%
Capital growth	-2.20%	0.52%	0.52%	0.84%	0.15%	-0.14%	0.10%
DISTRIBUTION							
First Interim dividend distribution (Rs)	-	-	-	-	-	-	-
Date of Income Distribution	-	-	-	-	-	-	-
Final Interim dividend distribution (Rs)	13.35	22.00	17.50	10.30	5.30	10.45	7.75
Date of Income Distribution	20-Jun-25	21-Jun-24	23-Jun-23	24-Jun-22	18-Jun-21	26-Jun-20	26-Jun-19
Total dividend distribution for the year (Rs)					5.30	10.45	7.75
AVERAGE RETURNS (%)							
Average annual return 1 year	10.67%	21.83%	17.55%	11.14%	5.45%	10.31%	7.85%
Average annual return 2 year	16.12%	19.67%	14.30%	8.26%	7.85%	9.07%	6.50%
Average annual return 3 year	16.59%	16.76%	11.27%	8.94%	7.85%	7.76%	6.18%
PORTFOLIO COMPOSITION - (%)							
Percentage of Net Assets as at 30 June:							
Bank Balances	31.57%	41.65%	25.97%	62.77%	53.31%	56.94%	68.98%
GoP Ijarah Sukuks	-	-	-	-	-	-	-
TFCs /Sukuks	39.40%	43.14%	17.90%	34.69%	36.58%	31.89%	-
Commercial Paper	0.00%	0.00%	34.94%	0.80%	7.96%	-	-
Certificate of Modaraba	-	-	-	-	-	-	-
Placement with Banks and DFIs	0.00%	9.93%	17.77%	-	-	-	0.00%
Corporate Sukuks	18.98%	0	-	-	-	-	0
Others	9.95%	2.81%	3.42%	1.74%	2.15%	2.57%	2.70%
Weighted average portfolio during (No. of days)	363	363	363	186	493	371	618

Note:

The Launch date of the Fund is May 29, 2014

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED

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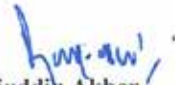
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025





ASSET MANAGEMENT LTD.

ایسٹیت میجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Income Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

UAN (021) 111-425-262
Fax (021) 35168455
www.hblasset.com

September 23, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Income Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبيينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL ISLAMIC INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Islamic Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, the statement of movement in unit holders' fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of balances with banks and investments As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the year ended June 30, 2025, the balances with banks and investments amounting to Rs. 7,586.81 and Rs. 10,178.32 million which represent 98.63% of the total assets.	Our audit procedures included the following: We obtained independent confirmations for verifying the existence of balances with banks and the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;

S.NO	Key audit matter(s)	How the matter was addressed in our audit
	The existence of balances with banks and existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2025. We considered existence of balances with banks and existence and valuation of investment as Key audit matter due to significance of these in relation to total assets.	- We performed substantive audit procedures on year-end balance of investment portfolio including review of custodian's statement and re-performance of valuations as per valuation methodology specified in accounting policies; and - We assessed the Fund's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) in relation to the concentration of investments and exposure limits prescribed in such Regulations and reviewed the adequacy of disclosures as may be applicable in situations of non-compliance.

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

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("HBL Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of the Management company is responsible for overseeing the Fund's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

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

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

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

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.



Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

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

KARACHI

DATED: 22 SEP 2025

UDIN: AR202510166a7TDu0Nlg


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

		2025	2024
	Note	(Rupees in '000)	
ASSETS			
Balances with banks	5	7,586,814	6,339,205
Investments	6	10,178,317	8,487,118
Profit / mark-up receivable	7	243,611	394,696
Deposits and other receivable	8	2,915	100
TOTAL ASSETS		18,011,657	15,221,119
LIABILITIES			
Payable to the HBL Asset Management Limited - Management Company	9	15,165	26,694
Payable to the Central Depository Company - Trustee	10	1,038	1,497
Payable to Securities and Exchange Commission of Pakistan	11	923	910
Dividend payable		176,461	81,407
Payable against conversion of units		178	-
Accrued expenses and other liabilities	12	247,046	211,276
TOTAL LIABILITIES		440,811	321,784
NET ASSETS		17,570,846	14,899,335
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		17,570,846	14,899,335
Contingencies and commitments	13		
		(Number of Units)	
Number of units in issue	14	168,853,143	143,644,892
		(Rupees)	
Net assets value per unit		104.0599	103.7234

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

	2025	2024
Note	(Rupees in '000)	
Income		
Capital (loss) / gain on sale of investments - net	(43,978)	102,987
Income from GOP Ijara sukuk certificates	1,132,780	1,178,600
Income from corporate sukuk bonds	345,863	162,812
Income from term deposit receipts	89,498	698,698
Income from Bai Muajjal	255,988	-
Profit on bank deposits	862,314	907,244
	<u>2,642,465</u>	<u>3,050,342</u>
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.3 50,313	(48,091)
	<u>2,692,778</u>	<u>3,002,251</u>
Expenses		
Remuneration of the HBL Asset Management Limited - Management Company	9.1 251,752	131,660
Sindh Sales Tax on remuneration of the HBL Asset Management Limited - Management Company	9.2 37,763	17,116
Remuneration of the Central Depository Company - Trustee	10.1 12,729	10,565
Sindh Sales Tax on remuneration of the Central Depository Company - Trustee	10.2 1,909	1,373
Annual fee to Securities and Exchange Commission of Pakistan	11.1 14,025	10,538
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	35,793
Selling and marketing expense	-	28,681
Auditors' remuneration	15 400	330
Fee and subscription	901	457
Security transaction costs and settlement charges	481	1,589
Bank charges	313	1,407
Printing Charges	75	198
Provision against GOP Ijarah sukuk	39,381	10,259
Shariah advisory charges	283	265
	<u>360,012</u>	<u>250,231</u>
Net income for the year before taxation	<u>2,332,766</u>	<u>2,752,020</u>
Taxation	16 -	-
Net income for the year	<u><u>2,332,766</u></u>	<u><u>2,752,020</u></u>
Allocation of net income for the year		
Income already paid on redemption of units	1,738,638	1,961,867
Accounting income available for distribution:		
Relating to capital gains	1,613	9,773
Excluding capital gains	592,515	780,380
	<u>594,128</u>	<u>790,153</u>
	<u><u>2,332,766</u></u>	<u><u>2,752,020</u></u>
Earnings per unit	17	

The annexed notes from 1 to 30 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

	2025	2024
	----- (Rupees in '000) -----	
Net income for the year	2,332,766	2,752,020
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>2,332,766</u>	<u>2,752,020</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC INCOME FUND

Statement Of Movement In Unitholders' Fund

For the year ended June 30, 2025

	2025			2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	14,698,018	201,317	14,899,335	7,635,924	99,778	7,735,701
Issuance of 356,714,302 units (2024: 370,823,133 units)						
Capital value (at net asset value per unit at the beginning of the year)	36,999,620	-	36,999,620	38,276,647	-	38,276,647
Element of income	1,570,568	-	1,570,568	3,351,619	-	3,351,619
Total proceeds on issuance of units	38,570,188	-	38,570,188	41,628,266	-	41,628,266
Redemption of units 331,506,046 (2024: 302,121,501 units)						
Capital value (at net asset value per unit at the beginning of the year)	(34,384,934)	-	(34,384,934)	(31,185,213)	-	(31,185,213)
Income already paid on redemption of units	-	-	-	-	(1,961,867)	(1,961,867)
Element of loss	(3,125,136)	-	(3,125,136)	(1,830,277)	-	(1,830,277)
Total payments on redemption of units	(37,510,071)	-	(37,510,071)	(33,015,490)	(1,961,867)	(34,977,357)
Total comprehensive income for the year	-	2,332,766	2,332,766	-	2,752,020	2,752,020
Interim distribution						
Rs. 13.35 per unit declared on June 20, 2025 as cash dividend						
Refund of capital	(181,652)	-	(181,652)	-	-	-
Distribution during the year	-	(539,720)	(539,720)	-	-	-
Interim distribution						
Rs. 22 per unit declared on June 21, 2024 as cash dividend						
Refund of capital	-	-	-	(1,550,682)	-	(1,550,682)
Distribution during the year	-	-	-	-	(688,614)	(688,614)
	(181,652)	1,793,045	1,611,394	(1,550,682)	2,063,406	512,725
Net assets at end of the year	15,576,482	1,994,362	17,570,846	14,698,018	201,317	14,899,335
Undistributed income brought forward						
Realised income		249,408			96,511	
Unrealised gain		(48,091)			3,267	
		201,317			99,778	
Accounting income available for distribution						
Relating to capital		9,773			9,773	
Excluding capital gains		780,380			780,380	
		790,153			790,153	
Distributions during the year:						
Interim distribution of Rs 13.5 per unit declared on June 20, 2025 as cash dividend		(539,720)			(688,614)	
Interim distribution of Rs 22 per unit declared on June 21, 2024 as cash dividend		-			-	
		(539,720)			(688,614)	
Undistributed income carried forward		451,750			201,317	
Undistributed income carried forward						
Realised income		401,438			249,408	
Unrealised (loss) / income		50,313			(48,091)	
		451,750			201,317	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the year			103.7234			103.2208
Net assets value per unit at end of the year			104.0599			103.7234

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL ISLAMIC INCOME FUND
Statement of Cash Flow
For the year ended June 30, 2025

	2025	2024
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	2,332,765	2,752,020
Adjustments for:		
Capital gain / (loss) on sale of investments - net	43,978	(102,987)
Income from GOP Ijara sukuk certificates	(1,132,780)	(1,178,600)
Income from corporate sukuk bonds	(345,863)	(162,813)
Income from term deposit receipts	(89,498)	(698,698)
Income from Bai Muajjal	(255,988)	-
Profit on bank deposits	(862,314)	(907,244)
Provision against GOP Ijarah sukuk	-	10,259
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	(50,313)	48,091
	(360,012)	(239,972)
(Increase) / decrease in assets		
Investments - net	(1,684,864)	(2,866,720)
Deposits and other receivable	(2,815)	218
	(1,687,679)	(2,866,502)
Increase / (decrease) in liabilities		
Payable to the Management Company	(11,529)	12,446
Payable to the Trustee	(459)	402
Payable to Securities and Exchange Commission of Pakistan	13	(647)
Dividend payable	95,054	-
Payable against conversion of units	178	-
Accrued expenses and other liabilities	35,770	91,833
	119,027	104,034
Cash used in operations	(1,928,665)	(3,002,440)
Income received from GOP Ijara sukuk certificates	1,323,482	1,002,839
Income received from corporate sukuk bonds	260,564	216,847
Income received from term deposit receipts	89,498	698,698
Income received from Bai Muajjal	255,988	-
Profit received on bank deposits	907,997	889,900
	2,837,528	2,808,284
Net cash used in operating activities	908,863	(194,156)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	38,570,188	41,628,266
Amount paid on redemption of units	(37,510,071)	(34,977,357)
Dividend paid	(721,372)	(2,163,025)
Net cash generated from financing activities	338,746	4,487,884
Net increase / (decrease) in cash and cash equivalents	1,247,609	4,293,728
Cash and cash equivalents at beginning of the year	6,339,205	2,045,477
Cash and cash equivalents at end of the year	7,586,814	6,339,205

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** The HBL Islamic Income Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PIIF/949/2014 dated April 4, 2014 as a notified entity and the trust deed was executed on February 20, 2014.
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on August 17, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.3** Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Agha Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.
- 1.4** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5** The Fund has been categorised as a Shariah Compliant Income Scheme as per the criteria laid down by the SECP for categorization of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.6** The core objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations.
- 1.7** VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company and a stability rating of A+(f) to the Fund as at December 31, 2024 and March 03, 2025, respectively.
- 1.8** 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

- 2.1.1** This financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
 - Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
 - The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'Non-Banking Finance Companies Regulations') and the requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directives issued by the SECP and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations, the directions issued by the SECP and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional currency.

2.4 Use of judgments and estimates

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and 6 to these financial statements.

Impairment of investment

For details please refer note 4.2.1.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

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

4.2.1 Financial Assets

4.2.1.1 Classification and measurement of financial assets

On initial recognition, a financial asset is classified and measured at amortised cost or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (refer note 4.2.1.2). Interest income and impairment are recognised in income statement.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investments and bank balances.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.1.3 Regular way purchase and sale of financial assets

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and 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.

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

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

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

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

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

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund.

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.10 Transactions with related parties / connected persons

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

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

	Note	2025 ----- (Rupees in '000) -----	2024 -----
5. BALANCES WITH BANKS			
Local Currency			
Savings accounts	5.1 & 5.2	7,586,796	6,257,155
Current accounts		19	82,050
		<u>7,586,814</u>	<u>6,339,205</u>
5.1	This represents bank accounts held with various banks. Profit rates on these accounts during the year ranging between 6% to 21.35% (June 30, 2024: 15% to 21.35%) per annum.		
5.2	This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 6,516.28 million (June 30, 2024: Rs. 1024.01 million) on which return is earned ranging between 8% to 21.35% (June 30, 2024: 15% to 21.35%) per annum.		
6. INVESTMENTS			
Financial assets			
At fair value through profit or loss	6.1	10,178,317	6,942,217
At amortised cost	6.2	-	1,544,901
		<u>10,178,317</u>	<u>8,487,118</u>
6.1 Financial assets at fair value through profit or loss			
Corporate sukuk bonds	6.1.1	3,437,396	376,182
GoP Ijara sukuk certificates	6.1.4	6,740,921	6,566,035
		<u>10,178,317</u>	<u>6,942,217</u>

6.1.1 Corporate sukuk bonds

168853147.5	As at July 1, 2024	Purchases made during the year	Sales / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Un-realised appreciation / (diminution)	Provision against non-performing securities	Market value as a percentage of	
									Total investments	Net assets
(Number of units) (Rupees in '000) Note-6.1.1.1 %										
Corporate sukuk bonds - listed										
Agha Steel Industries Limited	4,964	-	-	4,964	-	-	-	39,354	0.00%	0.00%
	4,964	-	-	4,964	-	-	-	39,354	0.00%	0.00%
Corporate sukuk bonds - unlisted										
Hub Power Company Limited - 12/11/20	1,050	-	1,050	-	-	-	-	-	0.00%	0.00%
TPL Corporation Limited	150	-	-	150	12,500	9,999	(2,501)	-	0.10%	0.06%
OBS Pharma	2,250	-	2,250	-	-	-	-	-	0.00%	0.00%
PKMCLSC4 28-04-2025	-	695	-	695	695,000	695,000	-	-	6.83%	3.96%
PTCLSTXII 18-12-25	-	750	-	750	750,000	750,000	-	-	7.37%	4.27%
PTCSTXI 19-03-2025	-	750	-	750	750,000	750,000	-	-	7.37%	4.27%
SLST2 16-12-25	-	355	-	355	355,000	355,000	-	-	3.49%	2.02%
LEPCLSC21 14-02-2025	-	570	-	570	570,000	570,000	-	-	5.60%	3.24%
APPLST1 06-07-2025	-	300	-	300	300,000	300,000	-	-	2.95%	1.71%
TPL Trakker Limited	44	-	-	44	12,158	7,397	(4,761)	-	0.07%	0.04%
	3,494	3,420	3,300	3,614	3,444,658	3,437,396	(7,262)	-	33.77%	19.56%
Total - as at June 30, 2025	8,458	3,420	3,300	8,578	3,444,658	3,437,396	(7,262)	39,354	33.77%	19.56%
Total - as at June 30, 2024	8,517	8,264	8,323	8,458	377,888	376,182	(1,706)	-	4.43%	2.52%

6.1.1.1 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.

6.1.2 These corporate sukuk bonds, carry profit at the rates ranging from 11.38% to 19.32% (June 30, 2024: 21.76% to 25.91%) per annum.

6.1.3 Significant terms and conditions of corporate sukuk bonds as at June 30, 2025 are as follows:

Name of the investee company	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
(Rupees in '000)					
Corporate Sukuk Bonds - listed					
Agha Steel Industries Limited	Quarterly	8,000	3 Month Kibor + 0.8%	October 9, 2018	October 9, 2025
Corporate Sukuk Bonds - unlisted					
TPL Corporation Limited	Quarterly	12,500	3 Month Kibor + 2.25%	June 23, 2022	June 23, 2027
TPL Trakker Limited	Quarterly	12,158	3 Month Kibor + 3%	March 30, 2021	March 30, 2026
Pakistan Mobile Communications Limited	At Maturity	695,000	3 Month Kibor - 0.15%	April 28, 2025	October 28, 2025
Pakistan Telecommunication Limited	At Maturity	750,000	3 Month Kibor - 0.05%	June 18, 2025	December 18, 2025
Pakistan Telecommunication Limited	At Maturity	750,000	3 Month Kibor + 0.05%	March 19, 2025	September 19, 2025
Select Technology (Private) Limited	At Maturity	355,000	6 Month Kibor + 1.75%	June 16, 2025	December 16, 2025
Lucky Electric Power Company Limited	At Maturity	570,000	3 Month Kibor + 0.05%	February 14, 2025	August 15, 2025
Aspin Pharma (Private) Limited	At Maturity	300,000	6 Month Kibor + 0.8%	Jan 06, 2025	July 07, 2025

6.1.4 GOP Ijara sukuk certificates

Issue Details	Issue date	Face value				Carrying value as at 30, 2025	Market value as at June 30, 2025	Un-realised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2024	Purchases during the year	Sales / matured during the period	As at June 30, 2025					
(Rupees in '000)									%	
GOPIS-VRR 07-08-24	7-Aug-23	2,100	-	2,100	-	-	-	-	0.00%	0.00%
GOPIS-FRR 09-10-24	9-Oct-23	5,275,000	30,675,000	35,950,000	-	-	-	-	0.00%	0.00%
GOPIS-VRR 04-12-24	4-Dec-23	15,200	-	15,200	-	-	-	-	0.00%	0.00%
GOPIS-FRR 04-12-26	4-Dec-23	150,000	27,000	177,000	-	-	-	-	0.00%	0.00%
GOPIS-VRR 12-07-24	12-Jul-23	75,000	-	75,000	-	-	-	-	0.00%	0.00%
GOPIS-FRR 26-06-26	26-Jun-25	-	400,000	-	400,000	436,360	430,840	(5,520)	4.23%	2.45%
GOPIS-FRR 18-09-2027	18-Sep-24	-	62,500	-	62,500	62,500	66,250	3,750	0.65%	0.38%
GOPIS FRR 21-10-2027	21-Oct-24	-	2,750,000	1,100,000	1,650,000	1,665,762	1,698,347	32,585	16.69%	9.67%
GOPIS VRR 18-09-2027	18-Sep-24	-	62,500	-	62,500	62,500	63,006	506	0.62%	0.36%
GOPIS VRR 21-10-2027	21-Oct-24	-	125,000	-	125,000	125,494	126,038	544	1.24%	0.72%
GOPIS FRR 21-10-2029	21-Oct-24	-	250,000	-	250,000	253,875	264,850	10,975	2.60%	1.51%
GOPIS VRR 21-10-2029	21-Oct-24	-	125,000	-	125,000	126,563	127,313	750	1.25%	0.72%
GOPIS VRR 30-05-2030	30-May-25	-	62,500	-	62,500	62,500	62,513	13	0.61%	0.36%
GOPIS 12M 24-01-2024	24-Jan-24	42,020	20,000	62,020	-	-	-	-	0.00%	0.00%
GOPIS 12M 26-04-2024	26-Apr-24	1,124,780	-	1,124,780	-	-	-	-	0.00%	0.00%
GOPIS 12M 04-12-2024	4-Dec-23	-	250,000	-	250,000	239,476	239,525	49	2.35%	1.36%
GOPIS 12M 04-12-2024	4-Dec-23	-	5	-	5	5	5	(0.013)	0.00%	0.00%

Issue Details	Issue date	Face value				Carrying value as at 30, 2025	Market value as at June 30, 2025	Un-realised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2024	Purchases during the year	Sales / matured during the period	As at June 30, 2025					
----- (Rupees in '000) -----										
GOPIS 12M 07-11-2024	7-Nov-23	-	2,750,000	-	-	2,654,405	2,658,975	4,570	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-23	-	5	-	5	5	5	(0.01)	0.01%	0.01%
GOPIS 12M 07-11-2024	7-Nov-23	-	5	-	5	5	5	(0.01)	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-23	-	1,000	-	1,000	969	967	(2.55)	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-23	-	10	-	10	10	10	(0.06)	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-23	-	5	-	5	5	5	(0.01)	0.05%	0.03%
GOPIS 12M 09-01-2025	9-Jan-24	-	20	-	20	19	19	0.02	0.02%	0.01%
GOPIS 12M 17-09-2025	17-Sep-24	-	250,000	-	250,000	243,029	4,893	(238,136)	9.76%	5.66%
GOPIS 12M 21-10-2024	21-Oct-23	-	125,000	-	125,000	121,002	2,429	(118,573)	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-23	-	1,000,000	-	1,000,000	990,334	993,900	3,566	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-23	-	5	-	5	5	5	0.003	0.01%	0.01%
GOPIS 12M 25-07-2024	25-Jul-23	-	5	-	5	5	5	0.003	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-23	-	1,000	-	1,000	994	994	0.279	0.01%	0.01%
GOPIS 12M 25-07-2024	25-Jul-23	-	25	-	25	25	25	0.012	0.00%	0.00%
Total - as at June 30, 2025		6,684,100	38,936,585	38,506,100	4,364,585	7,045,847	6,740,921	(304,925)	40.11%	23.24%
Total - as at June 30, 2024		2,861,500	25,548,340	21,725,740	6,684,100	6,612,420	6,566,035	(46,384)	77.36%	44.07%

6.1.5 These GOP Ijara sukuk certificates, during the year carry profit at the rates ranging from 10.57% to 18.49% (June 30, 2024: 15.75% to 23.71%)

	Note	2025 ----- (Rupees in '000) -----	2024 -----
6.2 Financial assets at amortised cost			
Term Deposit Receipts (TDRs)	6.2.1	-	1,411,756
Bai Muajjal		-	-
		-	1,411,756

6.2.1 Financial assets at amortised cost - Term Deposit Receipts

Name of the investee compmay	As at July 1, 2024	Placement made during the year	Income accrued	Matured / sold during the year	As at June 30, 2025	Percentage of net assets	Percentage of total of investments
----- (Rupees in '000) -----							
Pak Brunei Investment Co. Limited	1,544,901	-	12,206	1,557,107	-	0.00%	0.00%
Faysal Bank Ltd.	-	9,550,000	11,611	9,561,611	-	0.00%	0.00%
Meezan Bank Limited	-	23,300,000	21,656	23,321,656	-	0.00%	0.00%
United Bank Limited	-	2,000,000	9,795	2,009,795	-	0.00%	0.00%
MCB Bank Limited	-	15,050,000	8,532	15,058,532	-	0.00%	0.00%
The Bank of Khyber	-	27,100,000	13,131	27,113,131	-	0.00%	0.00%
Dubai Islamic Bank	-	500,000	148	500,148	-	0.00%	0.00%
Allied Bank Limited	-	2,250,000	718	2,250,718	-	0.00%	0.00%
Bank Alfalah	-	600,000	184	600,184	-	0.00%	0.00%
Pak Oman Investment	-	649,243	11,517	660,761	-	0.00%	0.00%
Total - as at June 30, 2025	1,544,901	80,999,243	89,498	82,633,643	-	0.00%	0.00%
Total - as at June 30, 2024	1,411,756	63,547,968	698,698	64,113,521	1,544,901	10.37%	18.20%

6.2.2 This Term deposit receipts carry profit rates at the rates ranging from 10.70% to 21.05% (June 30, 2024: 19.35% to 21.45%)

6.2.3 Financial assets at amortised cost - Bai Muajjal

Investee Company	As at July 1, 2024	Placemant made during the period	Income Accrued	Sales / Matured	As at June 30, 2025	Percentage of total net assets	Percentage of total investments
----- (Rupees in '000) -----							
Askari Bank Limited	-	2,799,474	84,406,072	87,205,546	-	0.0%	0.0%
Pak Oman Investment Co. Ltd	-	2,795,289	32,057,755	34,853,044	-	0.0%	0.0%
United Bank Limited	-	1,446,968	46,888,384	48,335,352	-	0.0%	0.0%
Askari Bank Limited	-	2,066,900	59,883,476	61,950,376	-	0.0%	0.0%
Total - as at June 30, 2025	-	9,108,631	223,235,687	232,344,318	-	0.00%	0.00%
Total - as at June 30, 2024	-	-	-	-	-	0.00%	0.00%

	Note	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
6.3 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss' - net			

Market value of investments	6.1.1, 6.1.4	10,178,317	6,942,217
Carrying value of investments	6.1.1, 6.1.4	(10,490,505)	(6,990,308)
		<u>(312,187)</u>	<u>(48,091)</u>

7. PROFIT / MARK-UP RECEIVABLE

Bank deposits	7.1	26,382	72,064
Corporate sukuk bonds		105,467	20,168
GOP Ijara sukuk certificates		111,762	302,464
		<u>243,611</u>	<u>394,696</u>

7.1 This includes Rs. 101.84 million (June 30, 2024: Rs. 7.39 million) receivable from Habib Bank Limited, a related party.

8. DEPOSITS AND OTHER RECEIVABLE

Security deposits with Central Depository-Company of Pakistan Limited		100	100
Other receivable		2,815	-
		<u>2,915</u>	<u>100</u>

9. PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	9.1	12,448	15,932
Sindh Sales Tax payable on Management Company's remuneration	9.2	1,867	2,071
Sales load payable		850	1,113
Selling and marketing expense payable		-	7,578
		<u>15,165</u>	<u>26,694</u>

9.1 As per Regulation 61 of the amended NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the Offering Document is 1.5% per annum of average annual net assets. During the year, the fee is being charged at the rate ranging from 0.50% to 1.36% (2024 : 0.68% to 1.31%) of the average annual net assets accordingly. The fee is payable monthly in arrears.

9.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

	Note	2025 ----- Rupees in '000 -----	2024
10. PAYABLE TO THE TRUSTEE			
Trustee fee payable	10.1	903	912
Sindh Sales Tax payable on remuneration of the Trustee	10.2	135	119
CDS charges payable		-	466
		<u>1,038</u>	<u>1,497</u>

10.1 As per CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, Trustee fee shall be charged at the rate 0.075% of the average annual net assets of the Fund. During the year, Management Company has charged the Trustee fee accordingly.

10.2 Sindh Sales Tax at the rate of 15% (June 30, 2024: 13%) is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable	<u>923</u>	<u>910</u>

11.1 As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a CIS shall pay SECP an annual fee of 0.75% of the average annual nets assets. The fee is payable annually in arrears.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

Provision for Federal Excise Duty	12.1	1,344	1,344
Withholding tax payable		243,627	208,246
Auditors' remuneration		282	234
Printing charges		-	52
Security transaction costs and settlement charges payable		-	866
Mutual fund rating fee payable		270	-
Other payables		<u>1,523</u>	<u>534</u>
		<u>247,046</u>	<u>211,276</u>

12.1 The legal status of applicability of Federal Excise Duty (FED) on the Fund is the same as that disclosed in note 12.1 to the annual audited financial statements of the Fund For the year ended June 30, 2025. However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, as a matter of abundant caution, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 1.344 million (2024: Rs. 1.344 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2025 would have been higher by Rs. 0.0080 per unit (2024: Rs. 0.0094 per unit).

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 (June 30, 2024: Nil).

14. NUMBER OF UNITS IN ISSUE

	2025	2024
	----- Number of Units -----	
Total units in issue at the beginning of the year	143,644,892	74,943,266
Add: Units issued during the year	356,714,302	370,823,133
Less: Units redeemed during the year	(331,506,051)	(302,121,507)
Total units in issue at the end of the year	<u>168,853,143</u>	<u>143,644,892</u>

15. AUDITORS' REMUNERATION

	2025	2024
	-----Rupees in '000-----	
Annual audit fee	305	252
Fee for half yearly review	95	78
	<u>400</u>	<u>330</u>

16. TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed to the unit holders in cash. 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. The Fund has not recorded a tax liability in the current year, as the Management Company has distributed at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) to its unit holders. In addition to that, the Super tax enacted by finance act 2022 is not applicable to funds u/s 4(c) of the Income Tax Ordinance 2001.

17. EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

18. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
	----- (Rupees in '000) -----		
Financial assets			
Balances with banks	-	7,586,814	7,586,814
Investments			
Corporate Sukuk Bonds	3,437,396	-	3,437,396
GoP Ijara sukuk certificates	6,740,921	-	6,740,921
Profit / mark-up receivable	-	243,611	243,611
Deposits and other receivable	-	100	100
	<u>10,178,317</u>	<u>7,830,525</u>	<u>18,008,842</u>

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial liabilities			
Payable to the HBL Asset Management Company - Management Company	-	13,297	13,297
Payable to the Central Depository Company - Trustee	-	903	903
Accrued expenses and other liabilities	-	2,075	2,075
	-	16,275	16,275

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial assets			
Bank balances	-	6,339,205	6,339,205
Investments			
Corporate Sukuk Bonds	376,182	-	376,182
GoP Ijara sukuk certificates	6,566,035	-	6,566,035
Term Deposit Receipts	-	1,544,901	1,544,901
Profit / mark-up receivable	-	394,696	394,696
Deposits and Prepayments	-	100	100
	6,942,217	8,278,902	15,221,119

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial liabilities			
Payable to the Management Company	-	24,623	24,623
Payable to the Trustee	-	912	912
Accrued expenses and other liabilities	-	1,686	1,686
	-	27,221	27,221

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons include HBL Asset Management Limited, being the Management Company, Habib Bank Limited, being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company and directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

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

	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
19.1 Transactions during the year		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	251,752	131,660
Sindh Sales Tax on remuneration of the Management Company	37,763	17,116
Sales load	481	1,589
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	35,793
Selling and marketing expense	-	28,681
	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	12,729	10,565
Sindh Sales Tax payable on the Trustee fee	1,909	1,373
Central Depository Service charges	-	466
Habib Bank Limited - Sponsors		
Bank charges	293	1,402
Profit on bank deposit earned	33,930	32,331
Directors and executives of the Management Company		
Issue of 276,208 units (June 30, 2024: 1,077,956 units)	29,838	122,613
Redemption of units 331,556 Units (June 30, 2024: 331,556 Units)	36,810	127,289
Dividend paid	-	967
HBL Asset Management Limited - Employees' Gratuity Fund		
Issue of 3,809 Units (June 30, 2024: 17,431)	395	2,000
HBL Asset Management Limited - Employees' Provident Fund		
Issue of 11,292 Units (June 30, 2024: Nil)	1,172	4,000
Jubilee Life Insurance Company Limited		
Issue of 531,726 (June 30, 2024: Nil) units	73,527	568,076
Redemption of units Nil (June 30, 2024: 4,534,613 units)	-	568,076
MCBFSL Trustee HBL Islamic Financial Planning Fund Active Allocation Plan - Fund under common management		
Issue of Nil Units (June 30, 2024: 108,966 units)	11,297	11,297
Redemption of Nil Units (June 30, 2024: 1,008,200)	112,824	112,824
MCBFSL Trustee HBL Islamic Financial Planning Fund Conservative Allocation Plan - Fund under common management		
Redemption of Nil Units (June 30, 2024: 1,093)	-	494
Rohtas Associates (Pvt) Limited		
Related party due to holding more than 10%		
Redemption of Nil units (June 30, 2024: 1,293,010)	-	137,077

	2025 ----- (Rupees in '000) -----	2024 ----- (Rupees in '000) -----
HBL Government Securities Fund		
Purchase of GOP Ijara Sukuk	-	175,000
HBL Islamic Pension Debt Fund under common management		
Purchase GOP Ijara Sukuk	30,837	27,000
Habib Bank Limited		
Purchase GOP Ijara Sukuk	2,067,306	-
Sale of GOP Ijara Sukuk	5,536,821	-
19.2 Balances outstanding as at year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	12,448	15,932
Sindh Sales Tax payable on Management Company's remuneration	1,867	2,071
Sales load payable	850	1,113
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
Selling and marketing expense payable	-	7,578
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	903	912
Sindh Sales Tax on remuneration of the Trustee	135	119
CDS charges payable	-	466
Habib Bank Limited - Sponsor		
Bank balances	6,516,285	1,023,995
HBL Asset Management Limited - Employees' Gratuity Fund		
Units held: 33,398 (June 30, 2024: 29,588)	3,475	3,072
HBL Asset Management Limited - Employees' Provident Fund		
Units held: 98,980 (June 30, 2024: 87,685)	10,300	9,105
	2025	2024
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Jubilee Life Insurance Company Limited		
Units held: 6,032,379 (June 30, 2024: 5,500,587)	627,729	571,168
Directors and executives of the Management Company		
Units held: 91,992 (June 30, 2024: 148,483) units	9,573	15,418

20. FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of long, medium and short term Shariah compliant debt instruments and money market placements. These activities are exposed to a variety of financial risks i.e. market risks, credit risks and liquidity risks.

20.1 Market risk

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

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

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

20.1.1 Currency risk

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

20.1.2 Interest rate risk

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

a) Cash flow interest rate risks

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 6% to 21.35% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 75.87 million (2024: Rs. 63.39 million).

b) Fair value interest rate risks

The Fund's investment in GOP Ijarah Sukuk Certificates and Corporate Sukuk Bonds exposes it to fair value interest rate risk.

In case of 100 basis points increase in rates announced by the Financial Market Association of Pakistan on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would be lower by Rs. 101.78 million (2024: 69.06 million). In case of 100 basis points decrease in rates announced by the Financial Market Association on June 30, 2025, with all other variables held constant, the net income for the year and the net assets would be higher by Rs. 101.78 million (2024: 69.06 million).

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-statement of financial position financial instruments is based on the earlier of contractual repricing or maturity date and for off-statement of financial position instruments is based on the settlement date.

Particulars	As at June 30, 2025					Total
	Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
Note	(Rupees in '000)					
On-balance sheet financial instruments						
Financial assets						
Balances with banks	8 - 21.35	7,586,796	-	-	19	7,586,815
Investments						
Corporate sukuk bonds	11.38 - 19.32	-	3,437,396	-	-	3,437,396
GoP Ijara sukuk certificates	10.57 - 18.49	-	6,740,921	-	-	6,740,921
Profit / mark-up receivable		-	-	-	243,611	243,611
Deposits and prepayments		-	-	-	100	100
Sub total		7,586,796	10,178,317	-	243,730	18,008,843
Financial liabilities						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	13,297	13,297
Payable to the Central Depository Company - Trustee		-	-	-	903	903
Accrued expenses and other liabilities		-	-	-	2,075	2,075
Sub total		-	-	-	16,275	16,275
On-balance sheet gap (a)		7,586,796	10,178,317	-	227,455	17,992,568
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,586,796	10,178,317	-	227,455	17,992,568
Cumulative interest rate sensitivity gap		7,586,796	10,178,317	-		

Particulars	As at June 30, 2024					
	Effective yield / interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	Note	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Bank balances	15 - 21.3	6,257,155	-	-	82,050	6,339,205
Investments						
Corporate Sukuk Bonds	21.76 - 25.91	-	376,182	-	-	376,182
GoP Ijara sukuk certificates	15.75 - 23.71	-	6,566,035	-	-	6,566,035
Term Deposit Receipts	19.3 - 21.45		1,544,901	-	-	1,544,901
Profit / mark-up receivable		-	-	-	394,696	394,696
Deposits and prepayments		-	-	-	100	100
		6,257,155	8,487,118	-	476,846	15,221,119
Financial liabilities						
Payable to the Management Company		-	-	-	24,623	24,623
Payable to the Trustee		-	-	-	912	912
Accrued expenses and other liabilities		-	-	-	1,686	1,686
		-	-	-	27,221	27,221
On-balance sheet gap (a)		6,257,155	8,487,118	-	449,625	15,193,898
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		6,257,155	8,487,118	-	449,625	15,193,898
Cumulative interest rate sensitivity gap		6,257,155	8,487,118	-		

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, The Fund's investment in corporate sukuk bonds exposes to price risk.

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in debt securities, profit / mark-up receivable and bank balances. Risks attributable to investments in GoP Ijarah Sukuk is limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating and investment in corporate sukuk are made in good rating companies. The risk of default is considered minimal due to interest systematic measures taken therein.

20.2.1 The analysis below summarises the credit quality of the Fund's bank balances and Investments as at June 30, 2025 and June 30, 2024:

Name of bank / institutions	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency

(Rupees in '000)

Balances with banks by rating category

Al Baraka Bank Pakistan Limited	32,299	A-1	VIS
Bank Al Habib Limited	70	A-1+	PACRA
Bank Alfalah Limited	20	A-1+	PACRA
Bank Islami Pakistan Limited	3,329	A-1	PACRA
Faysal Bank Limited	24	A-1+	VIS
Habib Bank Limited	6,516,285	A-1+	VIS
MCB Islamic Bank Limited	1,603	A-1+	PACRA
National Bank of Pakistan	1,648	A-1+	PACRA
Bank of Khyber	13	A-1	PACRA
United Bank limited	417	A-1+	VIS
U Micro Finance Bank	793	A-1	PACRA
Soneri Bank Limited	1,030,315	A-1+	PACRA
	<u>7,586,814</u>		

Corporate Sukuks - Unlisted

TPL Corporation Limited	9,999	AA-	PACRA
PKMCLSC4 28-04-2025	695,000	A-1	VIS
PTCLSTSXI 18-12-25	750,000	A-1+	VIS
PTCSTSXI 19-03-2025	750,000	A-1+	VIS
SLSTS2 16-12-25	355,000	A-1	PACRA
LEPCLSC21 14-02-2025	570,000	A-1+	PACRA
APPLSTS1 06-07-2025	300,000	A-1	VIS
TPL Trakker Limited	7,397	A+	PACRA
	<u>3,437,396</u>		

Name of bank / institutions	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
(Rupees in '000)			
Balances with banks by rating category			
Bank Islami Pakistan Limited	82,885	A-1	PACRA
Al Baraka Bank Pakistan Limited	3,794	A-1	VIS
Habib Bank Limited	1,024,014	A-1+	VIS
Soneri Bank Limited	4,123,758	A-1+	PACRA
Dubai Islamic Bank Limited	1,499	A-1+	VIS
Faysal Bank Limited	1,101,587	A-1+	PACRA
Bank Al Habib Limited	39	A-1+	PACRA
MCB Islamic Bank Limited	96	A-1	PACRA
United Bank limited	216	A-1+	VIS
Bank Alfalah Limited	461	A-1+	PACRA
National Bank of Pakistan	50	A-1+	PACRA
U Micro Finance Bank	793	A-1	VIS
Bank of Khyber	13	A-1	PACRA
	<u>6,339,205</u>		
Corporate Sukuk - Listed			
Agha Steel Industries Limited	39,354	D	VIS
	<u>39,354</u>		
Corporate Sukuks - Unlisted			
Hub Power Company Limited - 12/11/20	80,286	AA+	PACRA
TPL Corporation Limited	14,100	AA-	PACRA
OBS Pharma	225,000	N/A	N/A
TPL Trakker Limited	17,442	A+	PACRA
	<u>336,828</u>		
	<u>376,182</u>		

20.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2025 ----- (Percentage) -----	2024 ----- (Percentage) -----
A-1+	99.52%	98.62%
A-1	0.48%	1.38%
Concentration of credit risk		

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in privately placed corporate sukuks and bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the Government.

20.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund, through Management Company with prior approval of Trustee, has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to 15% of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current year no borrowings was made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year.

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

Particulars	----- As at June 30, 2025 -----			
	Upto three months	More than three months and upto one year	More than one year	Total

----- (Rupees in '000) -----

Financial liabilities

Payable to the Management Company	13,297	-	-	13,297
Payable to the Trustee	903	-	-	903
Accrued expenses and other liabilities	2,075	-	-	2,075
	16,275	-	-	16,275

Particulars	----- As at June 30, 2024 -----			
	Upto three months	More than three months and upto one year	More than one year	Total

----- (Rupees in '000) -----

Financial liabilities

Payable to the Management Company	24,623	-	-	24,623
Payable to the Trustee	912	-	-	912
Accrued expenses and other liabilities	1,686	-	-	1,686
	27,221	-	-	27,221

21. UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 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. "

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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 :

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Note ----- (Rupees in '000) -----

Financial assets measured at fair value

Corporate sukuk bonds	3,437,396	-	3,437,396	-	3,437,396	-	3,437,396
GoP Ijara sukuk certificates	6,740,921	-	6,740,921	6,740,921	-	-	6,740,921
	10,178,317	-	10,178,317	6,740,921	3,437,396	-	10,178,317

Financial assets not measured at fair value

22.1

Balances with banks	-	7,586,815	7,586,815				
Profit / mark-up receivable	-	243,611	243,611				
Deposits and prepayments	-	100	100				
	-	7,830,526	7,830,526				

Financial liabilities not measured at fair value

22.1

Payable to the Management Company	-	13,297	13,297				
Payable to the Trustee	-	903	903				
Accrued expenses and other liabilities	-	2,075	2,075				
	-	16,275	16,275				

Particulars	June 30, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Note ----- (Rupees in '000) -----

Financial assets not measured at fair value

Corporate sukuk bonds	376,182	-	376,182	-	376,182	-	376,182
GoP Ijara sukuk certificates	6,566,035	-	6,566,035	1,013,634	5,552,401	-	6,566,035
	6,942,217	-	6,942,217	1,013,634	5,928,583	-	6,942,217

Financial assets not measured at fair value

22.1

Bank balances	-	6,339,205	6,339,205				
Term Deposit Receipts	-	1,544,901	1,544,901				
Profit / mark-up receivable	-	394,696	394,696				
Deposits and prepayments	-	100	100				
	-	8,278,902	8,278,902				

Financial liabilities not measured at fair value

22.1

Payable to the Management Company	-	24,623	24,623				
Payable to the Trustee	-	912	912				
Accrued expenses and other liabilities	-	1,686	1,686				
	-	27,221	27,221				

22.1 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.

22.2 Transfers during the year

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

23. LIST OF BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Top Eight brokers during the year ended June 30, 2025

- 1 Al Falah CLSA Securities (Pvt) Ltd
- 2 BMA Capital Management Ltd.
- 3 Continental Exchange (Pvt) Ltd.
- 4 Icon Management (Pvt) Ltd.
- 5 JS Global Capital Limited
- 6 Next Capital Limited
- 7 Paramount Capital (Pvt) Ltd.
- 8 Vector Securities (Private) Ltd.

Top ten brokers during the year ended June 30, 2024

- 1 Al Falah CLSA Securities (Pvt) Ltd
- 2 Next Capital Limited
- 3 Continental Exchange (Pvt) Ltd.
- 4 C & M Management (Pvt) Ltd.
- 5 Summit Capital (Pvt) Ltd
- 6 Pearl Securities Limited
- 7 Magenta Capital (Pvt) Ltd
- 8 BMA Capital Management Ltd.
- 9 JS Global Capital Limited
- 10 AKD Securities Limited

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29+
3	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
4	Amin Mohammad	Head of Risk	MBA	32+
5	Hammad Ali Abbas	Senior Fund Manager	MSC	20+
6	Wasim Akram	Senior Fund Manager	MBA	21+

25. PATTERN OF UNIT HOLDING

Category	----- As at June 30, 2025 -----			
	Number of unit holders	Number of units held	Investment amount	Percentage
-Rupees in '000'-				
Individuals	4,524	129,643,476	13,490,687	76.78%
Associated company	1	196,117	20,408	0.12%
Insurance companies	7	9,033,460	940,021	5.35%
Retirement funds	29	10,651,153	1,108,358	6.31%
Trust	7	793,141	82,534	0.47%
Foreign investors	8	50,603	5,266	0.03%
Others	38	18,485,193	1,923,567	10.95%
	4,614	168,853,143	17,570,841	100.00%

Category	----- As at June 30, 2024 -----			
	Number of unit holders	Number of units held	Investment amount	Percentage
-Rupees in '000'-				
Individuals	3,840	115,634,212	11,993,974	80.50%
Associated company	4	117,274	12,164	0.08%
Insurance companies	15	9,578,391	993,503	6.67%
Retirement funds	42	8,220,626	852,671	5.72%
Trust	12	2,951,533	306,143	2.05%
Foreign investors	7	96,766	10,037	0.07%
Others	39	7,046,090	730,844	4.91%
	3,959	143,644,893	14,899,336	100.00%

26. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2024 ,September 26,2024, October 24, 2024, , January 25,2025 ,February 18, 2025 , April 27, 2025,May 26,2025,May 27,2025 and June 04,2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	9	-	-
3	Mr. Rayomond H. Kotwal	9	6	3	August 28, 2024, May 27, 2025 & June 04, 2025
4	Mr. Abrar Ahmed Mir	9	8	1	August 28, 2024
5	Mr. Tariq Masaud	9	8	1	October 24, 2024
6	Mr. Abid Sattar	6	6	-	-
7	Mr. Khalid Malik	9	9	-	-
8	Mr. Habib Yousuf Habib	3	2	1	May 27, 2025
9	Ms. Sheeza Ahmed	3	3	-	-

27. TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the year ended June 30, 2025 is 1.71% (June 30, 2024: 1.78%) which includes 0.29% (June 30, 2024: 0.21%) representing Government levy and SECP fee.

28. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

29. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

30. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



HBL Islamic Equity Fund

FUND INFORMATION

NAME OF FUND	HBL ISLAMIC EQUITY FUND
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF AUDITORS	Yousuf Adil & Co. Chartered Accountants
NAME OF SHARIAH ADVISORS	Al - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Bank Islami Pakistan Limited Bank Al Baraka Limited MCB Bank Limited Faisal Bank Limited Habib Bank Limited

Type and Category of Fund

Open end Equity Fund

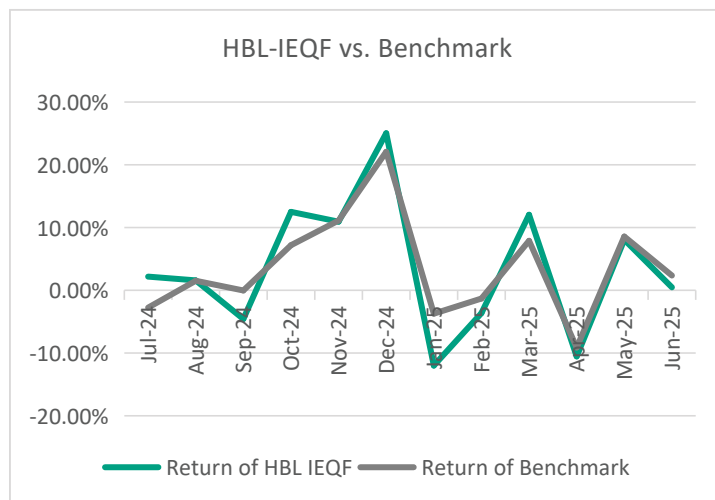
Investment Objective and Accomplishment of Objective

The objective of the Fund is to provide maximum total return to the unit holders from investment in shariah compliant equity investments for the given level of risk.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KMI 30 Index.

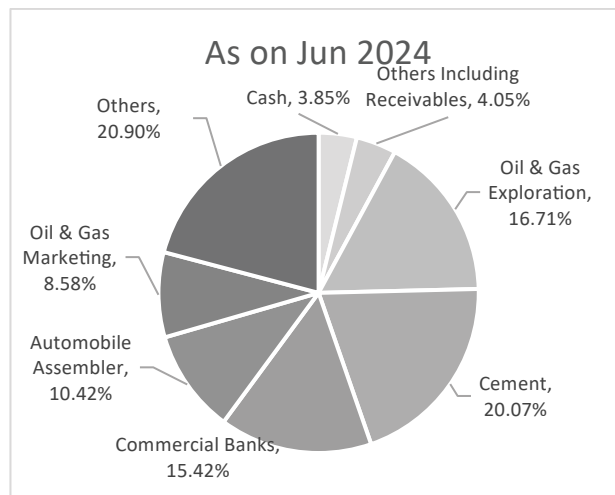
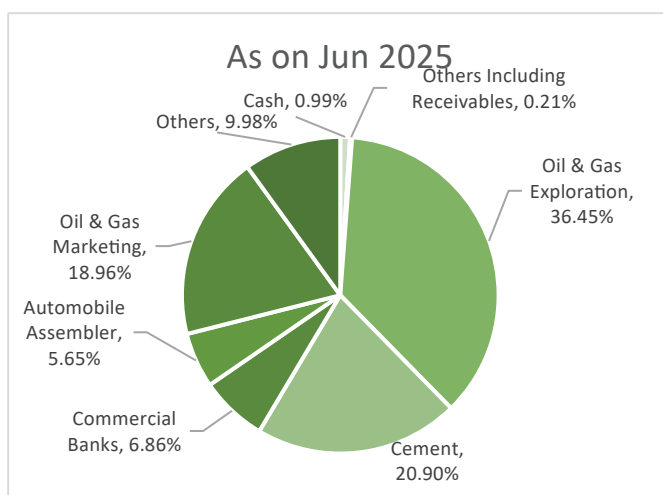
Month	Return of Fund	
	HBL -IEQF	Benchmark
Jun-25	0.47%	2.35%
May-25	8.07%	8.57%
Apr-25	-10.54%	-9.13%
Mar-25	12.04%	7.89%
Feb-25	-3.64%	-1.32%
Jan-25	-12.00%	-3.73%
Dec-24	25.03%	22.07%
Nov-24	10.93%	11.11%
Oct-24	12.50%	7.18%
Sep-24	-4.58%	-0.03%
Aug-24	1.58%	1.52%
Jul-24	2.18%	-2.77%



Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equity from 79.24% of total assets as on June 2024 to 98.80% as on June 2025. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in oil and gas exploration, and oil and gas marketing was increased, while exposure in commercial banks, automobile assembler and others was decreased.

Asset Allocation



Significant Changes in Asset Allocation during the Year

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2025 and June 30, 2024:

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	5,866	75,912
101 – 500	649	149,581
501 – 1,000	200	145,372
1,001 – 10,000	738	3,454,062
10,001 – 100,000	1,241	50,522,642
100,001 – 500,000	96	70,372,467
500,001 – 1,000,000	474	108,482,654
1,000,001 – 5,000,000	68	137,901,344
5,000,001 and above	22	434,018,156
Total	9,354	805,122,190

Fund Performance

The total income and net loss of the Fund was Rs. 42.90 million and Rs. 7.27 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 158.8867 per unit as on June 30, 2025 as compared to Rs. 111.4243 per unit as on June 30, 2024, thereby giving a return of 42.60% during the year, against the benchmark return (KMI 30 Index) of 46.24%. The size of Fund was Rs. 1.14 billion as on June 30, 2025 as compared to Rs. 0.13 billion at the start of the year.

Market Review

In FY25, KMI-30 Index gained 45% YoY in PKR terms and 43% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the KMI-30 has delivered a remarkable 161% cumulative return in PKR terms and 163% in USD terms, making it one of the best-performing Shariah-compliant equity indices globally over this period.

This rally was underpinned by macroeconomic stability achieved through the IMF program, completion of the first IMF review in March 2025, aggressive monetary easing from 20.5% to 11%, Fitch's upgrade of Pakistan's credit rating from CCC+ to B-, improving macro indicators, and improved liquidity as flows shifted from fixed income to equities. As per Bloomberg data, Pakistan's market ranked as the 8th best-performing market globally in FY25 on a standalone basis with a 57% USD return, but over the two-year period, it stood out as the best performer worldwide.

The sectors that majorly contributed to the performance in FY25 were Commercial Banks (+15,155 pts), Fertilizer (+9,716 pts), Oil and Gas Exploration Companies (+6,865 pts) and Cements (+5,622 pts). Whereas script wise major contribution came from FFC (+6,305 pts), UBL (+5,305 pts), MARI (+2,648 pts), LUCK (+2,536pts) and OGDC (+2,082pts).

After peaking at 20.5%, the interest rate cycle reversed sharply in FY25, with the policy rate cut to 11% by June 2025 on the back of a drastic decline in inflation. Headline CPI has averaged in the low single digits, providing ample room for monetary easing. The successful completion of the first review under the 3-year IMF EFF program, improving macroeconomic indicators, Fitch's upgrade of Pakistan's credit rating to B-, and strong corporate earnings outlook have further strengthened investor confidence. Alongside, a weakening oil price outlook and continued multilateral and bilateral funding support are expected to sustain the positive momentum in equities.

We expect the positive momentum in Pakistan's equity markets to continue, driven by sustained monetary easing, stable macroeconomic indicators, and robust corporate earnings growth. Improving credit outlook and ongoing IMF support provide further room for market rerating. However, risks remain from geopolitical tensions, global commodity price shocks, etc.

Distribution

The fund has distributed NIL dividend for the year ended June 30 2025.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Fund.

Sector Name	As on Jun 2025	As on Jun 2024
501 – 1,000	75	52,892
1,001 – 10,000	118	465,108
10,001 – 100,000	50	1,484,123
500,001 – 1,000,000	3	2,154,897
100,001 – 500,000	10	2,994,773
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	763	7,183,843

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL ISLAMIC EQUITY FUND

	2024	2023	2022	2021	2020	2019
Net assets at the period end(Rs'000)	1,141,416.83	126,163.22	107,097.73	145,938.56	624,585	228,586
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	158.8867	111.4243	65.8671	69.9797	105.0735	77.5699
Offer	162.5411	113.9425	67.3557	71.5612	107.4482	79.3230
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	180.7323	118.4855	75.1178	108.2545	111.7666	100.1572
Lowest offer price per unit	112.8911	69.888	62.952	70.9656	81.1602	61.1836
Highest redemption price per unit	176.6689	115.8669	73.4577	105.862	109.2965	97.9437
Lowest redemption price per unit	110.3530	68.3434	61.5607	69.3972	79.3665	59.8314
RETURN (%)						
Total return	42.60%	74.48%	- 5.88%	- 33.40%	35.46%	1.15%
Income distribution	0.00%	5.31%	0.00%	0.00%	0.00%	0.10%
Capital growth	42.60%	69.17%	- 5.88%	- 33.40%	35.46%	1.05%
DISTRIBUTION						
Final dividend distribution- Cash	-	-	-	-	-	-
Date of Income Distribution	-	-	-	-	-	-
Final dividend distribution- Bonus	-	3.50	-	-	-	0.10
Date of Income Distribution	-	26-Jun-20	-	-	-	26-Jun-20
Total dividend distribution for the year/ period	-	3.50	-	-	-	0.10
AVERAGE RETURNS (%)						
Average annual return 1 year	42.60%	74.48%	- 5.88%	- 33.40%	35.46%	1.15%
Average annual return 2 year	57.74%	28.15%	- 20.83%	5.02%	17.05%	8.36%
Average annual return 3 year	32.80%	3.03%	- 5.31%	3.00%	4.39%	9.70%
PORTFOLIO COMPOSITION - (%)						
Percentage of Net Assets as at 30 June:						
Bank Balances	0.99%	3.85%	10.32%	9.10%	6.45%	4.22%
GoP Ijarah Sukuks	-	-	-	-	-	-
Placement with Banks and DFIs	-	-	-	-	-	-
Corporate Sukuks	-	-	-	-	-	-
Stock / Equities	98.80%	92.10%	82.99%	83.79%	88.99%	94.24%
Others	0.21%	4.05%	6.69%	7.11%	4.56%	1.54%

Note:

The Launch date of the Fund is May 29, 2014

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

PROXY VOTING DISCLOSURE

As at June 30, 2025

Summary of Actual Proxy voted by CIS

HBL IEF	Meetings	Resolutions	For	Against
Number	5	11	11	-
(%ages)				-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Air Link Communication Ltd	2024-08-27	2025-03-27
Askari Bank Limited	2025-03-24	
Attock Cement Pakistan Ltd	2024-10-21	
Attock Refinery Ltd	14/10/2024 17-10-24	2024-07-12
Avanceon Limited	2025-05-30	
Bank AL Habib Limited	2025-02-27	
BF Biosciences Limited	2024-10-28	
Cherat Cement Company Ltd	2024-10-16	
Crescent Steel & Allied Products Limited	2024-10-28	
DG Khan Cement Co Ltd	2024-10-18	
Engro Fertilizer Limited	2025-03-24	
Engro Holding Limited	2025-04-25	
Fauji Cement Company Ltd	2024-10-14	2024-12-10
Fauji Fertilizer Bin Qasim Ltd		19/08/2024 4-11-24
Fauji Fertilizer Company Ltd	2025-03-25	08/10/2024 4-11-24
GHANDHARA AUTOMOBILES LIMITED	2024-10-24	2025-02-04
Ghandhara Industries Limited	2024-10-24	
Gharibwal Cement	2024-10-24	
GLAXOSMITHKLINE PAKISTAN LIMITED	2025-04-28	
Hub Power co. Ltd	30-Sep-24	
Habib Bank Limited	2025-03-26	
Honda Atlas Cars (Pakistan) Limited		
Loads Limited	2024-10-24	
LUCKY CEMENT LTD	2024-08-26	2025-03-18
Maple Leaf Cement Ltd.		
Mari Energies Limited	2024-09-24	2024-12-19
MCB Bank Limited	2025-03-27	2024-07-06
Meezan Bank Ltd	2025-03-28	2024-11-18
National Bank of Pakistan	2025-03-25	22/11/2024 6-1-25
Netsol Technologies Limited	2024-10-18	2024-12-31
NISHAT MILLS LIMITED	2024-10-28	
Oil & Gas Development Co Ltd	2024-10-25	
PAK ELEKTRON	2025-04-29	
PAKISTAN PETROLEUM LIMITED	2024-10-25	
Pakistan Refinery Ltd	2024-10-19	
Pakistan State Oil Company Ltd	2024-10-24	
Pakistan Stock Exchange Limited	2024-10-28	
PAKISTAN TELECOMMUNICATION COMPANY	2025-04-25	2024-11-06
Pioneer Cement Co Limited	2024-10-28	
Sazgar Engineering Works Limited	2024-10-26	
Secure Logistics Group Ltd		
SUI NORTHERN GAS PIPELINES LIMITED	2024-08-21	
SUI SOUTHERN GAS COMPANY LIMITED	29/11/2024 16-6-25	
Synthetic Products Enterprises Limi		21/02/2025 1-3-25
Systems Limited	2025-04-28	
Thatta Cement Company Limited	2024-10-15	2024-12-09
THE HUB POWER COMPANY LIMITED		
The Organic Meat Company Limited	2024-10-28	2025-01-25
United Bank Limited	2025-03-19	30/12/2024 15-5-25

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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Tel: (92-21) 111-111-500.
Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC EQUITY FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2025



ASSET MANAGEMENT LTD.

ایس ایٹ مینجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Equity Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

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www.hblasasset.com

September 23, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Equity Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبيينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Islamic Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	Valuation and existence of investments As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 656.865 million as at June 30, 2025, consisting of investment in listed equity securities which represent a significant item on the statement of assets and liabilities of the Fund. We have identified the existence and valuation as the significant areas during our audit of investment.	We performed the following procedures during our audit of investments: - tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies; - matched the number of listed equity securities held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any; - matched securities held by the Fund with the securities appearing in the Investors' Portfolio Securities Account Statement and check for reconciliation of the differences if any;



Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management Company and Board of Directors of the Management Company for the Financial Statements

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

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

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Other Matter Paragraph:

The annual financial statement of the Fund for the year ended June 30, 2024 were audited by another firm of chartered accountants, whose audit report dated September 28, 2024, expressed an unmodified opinion respectively.

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



Chartered Accountants

Place: Karachi

Date: September 29, 2025

UDIN: AR202510057VhOmH208P

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	33,716	5,139
Investments	6	1,133,686	122,820
Dividend and profit receivable	7	1,473	773
Receivable against sale of investments - net		36,507	-
Deposits and prepayments	8	2,632	2,600
Receivable from the Management Company	9	3,574	2,013
TOTAL ASSETS		1,211,588	133,345
LIABILITIES			
Payable to the Management Company	10	4,502	291
Payable to the Trustee	11	325	25
Payable to Securities and Exchange Commission of Pakistan	12	95	10
Payable against sale of investments - net		53,708	2,178
Dividend payable		12	12
Accrued expenses and other liabilities	13	11,529	4,666
TOTAL LIABILITIES		70,171	7,182
NET ASSETS		1,141,417	126,163
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,141,417	126,163
CONTINGENCIES AND COMMITMENTS	14	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	15	7,183,843	1,132,278
		----- (Rupees) -----	
NET ASSETS VALUE PER UNIT	4.8	158.8867	111.4243

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Income Statement

For the year ended June 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
INCOME			
Capital (loss) / gain on sale of investments - net		(18,640)	38,017
Dividend income		24,905	5,073
Profit on bank deposits		4,991	2,925
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.1.3	31,644	6,202
		42,900	52,217
EXPENSES			
Remuneration of the Management Company	10.1	23,589	1,981
Sindh Sales Tax on remuneration of the Management Company	10.2	3,538	257
Allocated expenses	10.3	-	374
Selling and marketing expenses	10.4	-	315
Remuneration of the Trustee	11.1	1,899	193
Sindh Sales Tax on remuneration of the Trustee	11.2	285	25
Securities and Exchange Commission of Pakistan fee	12.1	893	91
Auditors' remuneration	16	453	412
Fee and subscription		29	31
Legal and professional charges		601	150
Brokerage and settlement charges		16,973	2,671
Bank charges		19	2
Printing charges		80	193
Shariah advisory services		285	265
Reimbursement of expenses from Management Company		(3,588)	(2,013)
Charity Expense		5,109	265
		50,165	5,212
Net (loss) / income for the year before taxation		(7,265)	47,005
Taxation	17	-	-
Net (loss) / income for the year after taxation		(7,265)	47,005
Allocation of net (loss) / income for the year			
Net income for the year after taxation		-	47,005
Income already paid on units redeemed		-	(28,029)
		-	18,976
Accounting income available for distribution			
Relating to capital gains		-	17,295
Excluding capital gains		-	1,681
		-	18,976
Earnings per unit	4.11		

The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Net (loss) / income for the year after taxation	(7,265)	47,005
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	(7,265)	47,005

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Equity Fund

Statement of Movement in Unitholder's Fund

For the year ended June 30, 2025

	June 30, 2025			June 30, 2024		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	(Rupees in '000)					
Net assets at beginning of the year	428,323	(302,160)	126,163	426,613	(319,515)	107,098
Issuance of 29,332,501 units (2024: 3,607,028 units)						
Capital value (at net asset value per unit at the beginning of the year)	3,268,353	-	3,268,353	237,584	-	237,584
Element of (loss) / income	1,406,346	-	1,406,346	114,462	-	114,462
	4,674,699	-	4,674,699	352,046	-	352,046
Redemption of 23,280,936 units (2024: 4,100,717 units)						
Capital value (at net asset value per unit at the beginning of the year)	(2,594,062)	-	(2,594,062)	(270,102)	-	(270,102)
Income already paid on redemption of units		-	-		(28,029)	(28,029)
Element of (loss) / income	(1,058,118)		(1,058,118)	(78,004)	-	(78,004)
	(3,652,180)	-	(3,652,180)	(348,106)	(28,029)	(376,135)
Total comprehensive (loss) / income for the year	-	(7,265)	(7,265)	-	47,005	47,005
Final distribution For the year ended June 30, 2025 (cash distribution @ Rs 3.5 per unit declared on June 28, 2024)	-	-	-	-	(1,621)	(1,621)
Refund of capital	-	-	-	(2,230)	-	(2,230)
	-	(7,265)	(7,265)	(2,230)	45,384	43,154
Net assets at end of the year	1,450,842	(309,425)	1,141,417	428,323	(302,160)	126,163
Undistributed loss brought forward						
Realised	(308,362)			(316,947)		
Unrealised	6,202			(2,568)		
	(302,160)			(319,515)		
Accounting income available for distribution						
Relating to capital gains	-			17,295		
Excluding capital gains	-			1,681		
	-			18,976		
Net loss for the year	(7,265)			-		
Distribution during the year	-			(1,621)		
Undistributed loss carried forward	(309,425)			(302,160)		
Undistributed loss carried forward						
Realised	(341,069)			(308,362)		
Unrealised	31,644			6,202		
	(309,425)			(302,160)		
	(Rupees)			(Rupees)		
Net assets value per unit at beginning of the year	111.4243			65.8671		
Net assets value per unit at end of the year	158.8867			111.4243		

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

	June 30, 2025	June 30, 2024
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss) / income for the year before taxation	(7,265)	47,005
Adjustments for non cash and other item:		
Capital loss / (gain) on sale of investments - net	18,640	(38,017)
Dividend income	(24,905)	(4,808)
Profit on bank deposits	(4,991)	(2,925)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	(31,644)	(6,202)
	(50,165)	(4,947)
(Increase) / decrease in assets		
Investments - net	(997,862)	14,207
Receivable against sale of investments - net	(36,507)	1,831
Deposits and prepayments	(32)	-
Receivable from the Management Company	(1,561)	379
	(1,035,962)	16,417
Increase / (decrease) in liabilities		
Payable to the Management Company	4,211	(195)
Payable to the Trustee	300	7
Payable to Securities and Exchange Commission of Pakistan	85	(14)
Payable against sale of investments - net	51,530	2,178
Accrued expenses and other liabilities	6,863	446
	62,989	2,422
Net cash (used in) / generated from operations	(1,023,138)	13,892
Dividend received	24,837	4,683
Profit received on bank deposits	4,359	2,944
	29,196	7,627
Net cash (used in) / generated from operating activities	(993,942)	21,519
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units	4,674,699	349,816
Payment against redemption of units	(3,652,180)	(376,135)
Dividend paid	-	(1,609)
Net cash generated from / (used in) financing activities	1,022,519	(27,928)
Net increase / (decrease) in cash and cash equivalents during the year	28,577	(6,409)
Cash and cash equivalents at beginning of the year	5,139	11,548
Cash and cash equivalents at end of the year	33,716	5,139

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The annexed notes from 1 to 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Equity Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PISF/965/2014 dated April 23, 2014 and the Trust Deed was executed on February 20, 2014.
- 1.2** The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** Effective from September 01, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.
- 1.4** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5** The Fund has been categorised as a Shariah Compliant equity scheme as per the criteria laid down by the SECP for categorisation of Open-End Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.6** The objective of HBL Islamic Equity Fund is to provide the maximum total return to the unit holders from investment in 'Shariah Compliant' equity investments for the given level of risk.
- 1.7** VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 31, 2024.
- 1.8** 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

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017, along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency.

2.4 Critical accounting estimates and judgments

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

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

- (a) Classification and measurement of financial assets (Note 4.2.1.1 and 6)
- (b) Impairment of financial assets (Note 4.2.1.2)
- (c) Provisions (Note 4.3)
- (d) Taxation (Note 4.4 and 17)
- (e) Classification and measurement of financial liabilities (Note 4.2.2)
- (f) Contingencies and commitments (Note 14)

3. APPLICATION OF NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New amendments that are effective for the year ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

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

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

	Effective from Accounting period beginning on or after
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
	Effective from Accounting period beginning on or after
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements.
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

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

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of banks balances and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

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

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

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

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to income statement on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Dividends are recognised as income in the income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Fund elected not to classify irrevocably any of the equity investments under this category on initial recognition.

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

Equity investments which the Fund had not irrevocably elected to classify at fair value through OCI are classified as at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the income statement.

Dividends on equity investments are recognised as income in the income statement when the right of payment has been established.

The Fund elected to classify all of the equity investments at fair value through profit or loss on initial recognition.

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

4.2.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's website.

Basis of valuation of government debt securities:

The government 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) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at revaluation rates disseminated by Pakistan Stock Exchange (PSX).

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

"The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk."

On initial recognition, a financial asset is classified and measured at: amortised cost or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model on which a financial asset is managed and its contractual cash flow characteristics.

4.2.1.3 Impairment of financial assets

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.

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 until further instruction.

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

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

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

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and 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.

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

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

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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

4.6 Issue and redemption of units

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

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

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Realised capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Income / profit from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank deposits is recognised on a time apportionment basis using effective interest rate.
- Unrealised gain / (loss) arising on re-measurement of investments at 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and the SECP fee are recognised in the income statement on an accrual basis.

4.11 Earnings per unit

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

			June 30, 2025	June 30, 2024
	Note		(Rupees in '000)	
5. BANK BALANCES				
Cash at bank				
In current account			1	10
In savings account	5.1		33,715	5,129
			33,716	5,139

5.1 These carry profit at the rate ranging from 6.00% to 11.11% per annum (2024: 18.50% to 19.30% per annum). These includes an amount held in Habib Bank Limited (a related party) amounting to Rs. 0.365 million (2024: Rs. 0.196 million) which carry profit at rates 11.11% per annum (2024: 18.50% per annum).

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
6. INVESTMENTS			
Financial assets at fair value through profit or loss			
Listed equity securities	6.1	1,133,686	122,820

6.1 Financial assets at 'fair value through profit or loss' - Listed equity securities

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

Name of investee companies	Number of shares					Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments	Par value as Percentage of paid-up capital of the investee company
	As at July 1, 2024	Purchases during the year	Bonus issue during the year	Sales during the year	As at June 30, 2025						
	(Number of shares)					(Rupees in 000)			(%)		
Automobile Assembler											
Honda Atlas Cars (Pakistan) Limited	18,500	-	-	18,500	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	445,576	-	376,076	69,500	49,380	45,205	(4,175)	3.96	3.99	0.16
Ghandhara Automobiles Limited	-	457,101	-	405,241	51,860	25,320	19,570	(5,750)	1.71	1.73	0.09
						74,700	64,775	(9,925)	5.67	5.71	0.25
Cable & Electrical Goods											
Pak Elektron Limited	-	225,000	-	225,000	-	-	-	-	-	-	-
Cement											
Attock Cement (Pakistan) Limited	-	286,000	-	144,000	142,000	42,486	41,549	(937)	3.64	3.66	0.10
Cherat Cement Company Limited	-	168,000	-	168,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	113,500	1,056,500	-	665,000	505,000	61,678	83,608	21,930	7.32	7.37	0.12
Lucky Cement Limited	1,300	191,837	-	193,137	-	-	-	-	-	-	-
Fauji Cement Company Limited	182,500	1,940,000	-	1,504,500	618,000	26,793	27,606	813	2.42	2.44	0.03
Gharibwal Cement Limited	-	2,387,464	-	2,387,464	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited	34,000	4,047,500	-	3,047,976	1,033,524	52,703	87,105	34,402	7.63	7.68	0.10
Pioneer Cement Limited	58,500	41,500	-	100,000	-	-	-	-	-	-	-
Power Cement Limited	-	550,000	-	550,000	-	-	-	-	-	-	-
Thatta Cement Company Limited	-	214,500	-	214,500	-	-	-	-	-	-	-
						183,660	239,868	56,208	21.01	21.16	0.34
Commercial Banks											
Bankislami Pakistan Limited	133,000	188,100	-	321,100	-	-	-	-	-	-	-
Meezan Bank Limited	73,500	276,750	-	113,250	237,000	73,635	78,696	5,061	6.89	6.94	0.01
						73,635	78,696	5,061	6.89	6.94	0.01
Engineering											
Sazgar Engineering Works Limited	10,400	-	-	10,400	-	-	-	-	-	-	-
Crescent Steel & Allied Products Limited	-	114,500	-	114,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Fertilizer											
Engro Fertilizer Limited	38,700	1,048,800	-	1,087,500	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	407,925	-	407,925	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	1,750,000	-	1,750,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Food & Personal Care Products											
The Organic Meat Company Limited	-	316,500	-	316,500	-	-	-	-	-	-	-
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited	35,249	1,497,165	-	1,186,665	345,749	140,084	130,531	(9,553)	11.44	11.51	0.07
Sui Northern Gas Pipelines Limited	88,000	2,270,900	-	1,612,990	745,910	81,700	87,055	5,355	7.63	7.68	0.12
Sui Southern Gas Company Limited	-	5,846,308	-	5,846,308	-	-	-	-	-	-	-
						221,784	217,586	(4,198)	19.06	19.19	0.19
Oil & Gas Exploration Companies											
Mari Energies Limited	145	802,415	1,160	585,165	218,555	146,875	137,010	(9,865)	12.00	12.09	0.02
Oil and Gas Development Company Limited	82,500	1,666,226	-	1,154,226	594,500	126,973	131,123	4,150	11.49	11.57	0.01
Pakistan Petroleum Limited	91,500	2,169,000	-	1,378,500	882,000	162,311	150,090	(12,221)	13.15	13.24	0.03
						436,159	418,223	(17,936)	36.64	36.89	0.06
Paper, Board and Packaging											
Synthetic Products Enterprises Limited	-	904,500	-	904,500	-	-	-	-	-	-	-

Name of investee companies	Number of shares					Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments	Par value as Percentage of paid-up capital of the investee company
	As at July 1, 2024	Purchases during the year	Bonus issue during the year	Sales during the year	As at June 30, 2025						
	(Number of shares)					(Rupees in 000)			(-%)		
Pharmaceuticals											
BF Biosciences Limited	-	734,500	-	734,500	-	-	-	-	-	-	-
The Searle Company Limited	1,985	-	-	-	1,985	113	174	61	0.02	0.02	0.00
GlaxoSmithKline (Pakistan) Limited	-	122,000	-	122,000	-	-	-	-	-	-	-
						113	174	61	0.02	0.02	-
Power Generation & Distribution											
Hub Power Company Limited	70,000	240,500	-	310,500	-	-	-	-	-	-	-
Property											
TPL Properties Limited	-	411,500	-	411,500	-	-	-	-	-	-	-
Refinery											
National Refinery Limited	4,500	-	-	4,500	-	-	-	-	-	-	-
Attock Refinery Limited	3,500	247,835	-	163,000	88,335	57,441	60,017	2,575	5.26	5.29	0.08
Pakistan Refinery Limited	-	4,460,500	-	4,460,500	-	-	-	-	-	-	-
						57,441	60,017	2,575	5.26	5.29	0.08
Technology & Communications											
Air Link Communication Limited	-	52,000	-	52,000	-	-	-	-	-	-	-
Avanceon Limited	-	317,500	-	317,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	8,921,357	-	8,921,357	-	-	-	-	-	-	-
Systems Limited*	6,898	476,990	-	36,398	447,490	48,713	47,944	(769)	4.20	4.23	0.03
TPL Trakker Limited	743,000	160,000	-	5,000	898,000	5,837	6,403	566	0.56	0.56	0.48
						54,550	54,347	(203)	4.76	4.79	0.51
Textile Composite											
Nishat Mills Limited	-	164,500	-	164,500	-	-	-	-	-	-	-
* This have face value of Rs. 2 per share (2024: Rs. 10 per share)											
As at June 30, 2025						1,102,042	1,133,686	31,643			
As at June 30, 2024						116,618	122,820	6,202			

6.1.1 As at June 30, 2025, the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies :

	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	----- (Number of Shares) -----		----- (Rupees in 000) -----	
Attock Cement (Pakistan) Limited	12,000	-	3,511	-
Attock Refinery Limited	-	3,000	-	1,055
D.G. Khan Cement Company Limited	15,000	-	2,483	-
Engro Fertilizers Limited	-	7,000	-	1,164
Fauji Cement Company Limited	-	13,000	-	461
Hub Power Company Limited	-	20,000	-	3,262
Mari Energies Limited	121,000	-	75,854	-
Meezan Bank Limited	17,000	19,500	5,645	4,668
Maple Leaf Cement Factory Limited	213,000	30,500	17,952	1,159
National Refinery Limited	-	3,200	-	850
Oil and Gas Development Company Limited	473,500	21,000	104,435	2,843
Pakistan Petroleum Limited	360,700	38,200	61,380	4,474
Pakistan State Oil Company Limited	80,000	5,000	30,202	831
Sazgar Engineering Works Limited	-	3,000	-	2,497
Sui Northern Gas Pipelines Limited	531,000	-	61,973	-
	1,823,200	163,400	363,435	23,264

6.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate 10% (5% for prior periods) 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 Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP) has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I 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 companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 4.970 million at June 30, 2025 (2024: Rs. 3.515 million) and not yet deposited on CDC account of department of Income tax. The final outcome of the case is pending, however Management Company is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

These bonus shares include the following shares:

	As at June 30, 2025	As at June 30, 2024	As at June 30, 2025	As at June 30, 2024
	----- (Number of Shares) -----		----- (Rupees in '000) -----	
The Searle Company Limited	1,985	1,985	174	113
Mari Energies Limited	1,305	145	818	393
Pakistan State Oil Company Limited	749	749	283	124
Systems Limited	34,490	6,898	3,695	2,885
	38,529	9,777	4,970	3,515

During 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the previous year.

In 2019, the CISs filed a fresh constitutional petition via CP4653 dated July 11, 2019. In this regard, on July 15, 2019, the High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in mean time. The matter is still pending and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitution petition will be in favour of the CISs.

The Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of the Income Tax Ordinance (the Ordinance), 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold 5% of the bonus shares to be issued. Accordingly, post July 01, 2018 shares are not being withheld at the time of bonus issue.

Further, through Finance Act 2023. 10% tax on value of bonus shares has been introduced. During the year, an investee company, Mari Energies Limited (Mari) withheld 1,305 shares, having aggregate fair value of 0.818 million which is 10% of the bonus shares issued by Mari to comply with the requirements of 236Z of the Income Tax Ordinance, 2001. The Management Company, along with other asset management companies, filed a constitutional petition (C.P. No 4747 of 2024) in the High Court of Sindh (SHC) on September 30, 2024, challenging the applicability of withholding tax provisions on bonus shares received by Collective Investment Schemes. The SHC has issued a stay order on September 30, 2024 whereby Mari was directed to retain the 10% of bonus shares issued to the Fund but not to liquidate / sell the same to pay the amount to income tax authority until the case is decided by the Court. The case pending further adjudication in the SHC. Management is of the view that the decision will be favourable and accordingly, has recorded such bonus shares on gross basis at fair value in its investments at year end.

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
6.1.3	Net unrealised gain on re-measurement of investments at 'fair value through profit or loss'		
		1,133,686	122,820
		1,102,042	116,618
		31,644	6,202
7.	DIVIDEND AND PROFIT RECEIVABLE		
		775	707
		698	66
		1,473	773
8.	DEPOSITS AND PREPAYMENTS		
		2,500	2,500
		100	100
		2,600	2,600
		32	-
		2,632	2,600
9.	RECEIVABLE FROM THE MANAGEMENT COMPANY		
	9.1	3,574	2,013
9.1	As per SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the total expense ratio (TER) in respect of each CIS to ensure the TER is not in breach of the required maximum percentage. The AMCs are required to adjust the NAV of the CIS on the basis of TER at the end of each quarter during the financial year for the amount of expenses in excess of the TER limit prescribed in Regulation 60(5) of the NBFC Regulations.		
	During the year ended June 30, 2025, the Fund was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categoriesd as equity scheme. As a result the Fund has recorded receivable from Management Company to comply with the TER requirement.		
		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
10.	PAYABLE TO THE MANAGEMENT COMPANY		
	10.1	3,202	219
	10.2	480	28
	10.3	-	-
	10.4	-	-
		820	44
		4,502	291

- 10.1** "The Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The management fee expense charged by the Management Company during the period is ranging from 2% to 3% (2024: 2%) of the average annual net assets accordingly. The fee is payable monthly in arrears.

During the period effective from September 05, 2024, Management Company has revised management fee rate upto 4% with the specific approval of SECP."

- 10.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.
- 10.3** Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund.
- 10.4** Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expenses to the Fund.

		June 30, 2025	June 30, 2024
11.	PAYABLE TO THE TRUSTEE	Note	(Rupees in '000)
	Trustee fee payable	11.1	283
	Sindh Sales Tax payable on Trustee Fee	11.2	42
			<u>325</u>

- 11.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed as per the tariff specified therein, based on the average net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

Based on the Trust deed, Trustee fee has been charged based on the following tariff structure applicable to the Fund:

Average Net asset Value	Tariff per annum
Upto Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher
Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets value exceeding Rs. 1,000 million

- 11.2** The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (2024: 13%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

		June 30, 2025	June 30, 2024
12.	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	(Rupees in '000)
	SECP fee payable	12.1	95

- 12.1** The Fund has charged SECP Fee at the rate of 0.075% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

		June 30, 2025	June 30, 2024
13.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	(Rupees in '000)
	Charity payable	13.1	5,109
	Provision for Federal Excise Duty (FED)	13.2	3,268
	Brokerage payable		1,122
	Withholding tax payable		1,090
	Legal advisory fee payable		752
	Auditors' remuneration		79
	Others		109
			<u>11,529</u>
			<u>4,666</u>

13.1 This represents amount recognised to purify dividend income derived from non-Shariah compliant (haram) sources during the year. The charity amount is calculated using the purification ratio, which is determined by dividing the company's non-compliant (haram) income by its total revenue.

13.2 The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 4, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative Collective Investment Schemes through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 3.268 million (2024: Rs. 3.268 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2025 would have been higher by Re. 0.455 per unit (2024: Rs. 2.887 per unit).

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 and June 30, 2024.

	June 30, 2025	June 30, 2024
	-----Number of units '-----	
15. NUMBER OF UNITS IN ISSUE		
Total units in issue at the beginning of the year	1,132,278	1,625,967
Add: Units issued during the year	29,332,501	3,607,028
Less: Units redeemed during the year	(23,280,936)	(4,100,717)
Total units in issue at the end of the year	7,183,843	1,132,278
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
16. AUDITORS' REMUNERATION		
Annual audit fee	214	193
Fee for half yearly review	99	83
Other certifications	75	25
Out of pocket expenses	31	80
	419	381
Sales tax	34	31
	453	412
17. TAXATION		
"The Fund's income is exempt from income tax as per Clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by accumulated losses and capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. Since the management has distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements."		
18. TOTAL EXPENSE RATIO		
The total annualised expense ratio (TER) of the Fund based on the current year results is 4.79% (2024: 5.14%) which includes 0.72% (2024: 0.64%) representing government Levies and the SECP Fee. Therefore TER excluding Government levies and SECP fee is 4.03%. The prescribed limit for the ratio excluding government levies is 4.50% (2024: 4.50%) under the NBFC Regulations for a collective investment scheme categorised as an 'Equity scheme'.		
19. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES		
Related parties / connected persons of the Fund include HBL Asset Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other Collective Investment Schemes (CIS) and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.		

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

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

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

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
19.1 Details of transactions with related parties / connected persons during the year:		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	23,589	1,981
Sindh Sales Tax on remuneration of the Management Company	3,538	257
Allocated expenses	-	374
Selling and marketing expenses	-	315
Issue of Nil units (2024: 438,064)	-	40,000
Dividend reinvested Nil units (2024: 12,765 units)	-	1,422
Amount received from Management Company against issuance to unitholders*	157	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	1,899	193
Sindh Sales Tax on remuneration of the Trustee	285	25
CDS charges	355	64
Habib Bank Limited - Sponsor		
Profit on Bank Deposits	1,567	180
Director and Executives of the Management Company		
Issue of 686,199 units (2024: 47,851 units)	108,660	4,205
Redemption of 655,950 units (2024: 48,307 units)	102,636	4,393
DCCL Trustee HBL Islamic Financial Planning Fund		
Active Allocation Plan - Fund under common management		
Redemption of Nil units (2024: 158,559 units)	-	10,847
DCCL Trustee HBL Islamic Financial Planning Fund		
Conservative Allocation Fund - Fund under common management		
Redemption of Nil units (2024: 292 units)	-	25
Fayyaz Aziz - Connected Person due to holding more than 10% units:		
Issue of 2,380,183 units (2024: Nil units)	400,251	-
Redemption of 1,398,036 units (2024: Nil units)	235,145	-

June 30, June 30,
2025 2024
----- (Rupees in '000) -----

19.2 Details of balances with related parties / connected persons as at year end:

HBL Asset Management Limited - Management Company

Remuneration payable to the Management Company	3,202	219
Sindh Sales Tax payable on Management Company's remuneration	480	28
Sales load payable	820	44
Units held: 355,902 units (2024: 450,829 units)	56,548	50,233

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	283	22
Sindh Sales Tax on remuneration of the Trustee	42	3
Security deposit held	100	100

Habib Bank Limited - Sponsor

Bank balances	365	196

Director and Executives of the Management Company

Units held: 29,340 units (2024: 7,478 units)	4,662	833

Fayyaz Aziz - Connected Person due to holding more than 10% units:

Units held: 982,148 units (2024: Nil units)	156,050	-

* This represents amount reimbursed by the Management Company in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses and allocated expenses as per the direction of Securities and Exchange Commission of Pakistan.

20. 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 tradeable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	quoted prices in active markets for identical assets or liabilities;	Listed equity securities are valued at the rates quoted on PSX.
Level 2:	those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and	There were no investment classified into level 2.
Level 3:	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	There were no investment classified into 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 :

Particulars	As at June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Rupees in '000'

Financial assets measured at fair value

Listed equity securities	1,133,686	-	1,133,686	1,133,686	-	-	1,133,686

Financial assets not measured at fair value

Bank balances	-	33,716	33,716				
Dividend and profit receivable	-	1,473	1,473				
Deposits	-	2,600	2,600				
Receivable from the Management Company	-	3,574	3,574				
Receivable against sale of investments - net	-	36,507	36,507				
	-	77,870	77,870				

Financial liabilities not measured at fair value

Payable to the Management Company	-	4,022	4,022				
Payable to the Trustee	-	283	283				
Payable against sale of investments - net	-	53,708	53,708				
Dividend payable	-	12	12				
Accrued expenses and other liabilities	-	6,989	6,989				
	-	65,014	65,014				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	As at June 30, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total

Rupees in '000'

Financial assets measured at fair value

Listed equity securities	122,820	-	122,820	122,820	-	-	122,820

Financial assets not measured at fair value

Bank balances	-	5,139	5,139				
Dividend and profit receivable	-	773	773				
Deposits	-	2,600	2,600				
Receivable from the Management Company	-	2,013	2,013				
	-	10,525	10,525				

Financial liabilities not measured at fair value

Payable to the Management Company	-	263	263				
Payable to the Trustee	-	22	22				
Payable against sale of investments - net	-	2,178	2,178				
Dividend payable	-	12	12				
Accrued expenses and other liabilities	-	895	895				
	-	3,370	3,370				

During the year ended June 30, 2024, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

21. FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of Shariah Compliant equity securities. These activities are exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

21.1 Market risk

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

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

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

21.1.1 Currency risk

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

21.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2025, the Fund is exposed to such risk on bank balances.

As of June 30, 2025 details of Fund's interest bearing financial instruments were as follows:

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Variable rate instrument (financial asset)		
Bank Balances	33,715	5,129

a) Cash flow profit rate risk

The Fund is exposed to cash flow profit rate risk for balances in certain savings account, the profit rates on which ranging between 6.00% to 11.11% per annum (2024: 18.50% to 19.30% per annum).

In case of 100 basis points increase / (decrease) in profit rates on June 30, 2025 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.337 million (2024: Rs. 0.0513 million)

b) Fair value interest rate risk

Since the Fund currently does not have any fixed rate instruments that are impacted by market profit rates, therefore, it is not exposed to fair value profit rate risk. Yield / profit rate sensitivity position for financial instrument is as follows:

		As at June 30, 2025				
Particulars	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
%		(Rupees in '000)				

On-balance sheet financial instruments

Financial assets

Bank balances	6.00 - 11.11	33,715	-	-	1	33,716
Investments listed equity securities		-	-	-	1,133,686	1,133,686
Dividend and profit receivable		-	-	-	1,473	1,473
Deposits		-	-	-	2,600	2,600
Receivable from the Management Company		-	-	-	3,574	3,574
Receivable against sale of investments - net		-	-	-	36,507	36,507
Sub total		33,715	-	-	1,214,348	1,248,063

Financial liabilities

Payable to the Management Company	-	-	-	4,022	4,022
Payable to the Trustee	-	-	-	283	283
Payable against sale of investments - net	-	-	-	53,708	53,708
Dividend payable	-	-	-	12	12
Accrued expenses and other liabilities	-	-	-	6,989	6,989
Sub total	-	-	-	65,014	65,014

		As at June 30, 2024				
Particulars		Exposed to yield / interest rate risk			Not exposed to yield / profit rate risk	Total
	Effective yield / profit rate	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----						

On-balance sheet financial instruments

Financial assets

Bank balances	18.50 - 19.30	5,129	-	-	10	5,139
Investments listed equity securities		-	-	-	122,820	122,820
Dividend and profit receivable		-	-	-	773	773
Deposits		-	-	-	2,600	2,600
Receivable from the Management Company		-	-	-	2,013	2,013
Sub total		5,129	-	-	128,216	133,345

Financial liabilities

Payable to the Management Company	-	-	-	263	263
Payable to the Trustee	-	-	-	22	22
Payable against sale of investments - net	-	-	-	2,178	2,178
Dividend payable	-	-	-	12	12
Accrued expenses and other liabilities	-	-	-	895	895
Sub total	-	-	-	3,370	3,370

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as financial assets at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities to no more than 15% of net assets of the Fund, or issued capital of the investee company respectively.

In case of 5% increase / decrease in price of all shares held by Fund at the year end, net income for the year would increase / decrease by Rs. 56.684 million (2024: Rs. 6.141 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2025 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, credit exposure arising as a result of dividend receivable on equity securities and receivable from Management Company.

Management of credit risk

For banks, the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. All transactions in listed securities are settled / paid for upon delivery using the system of National Clearing Company of Pakistan Limited. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the Regulations and the guidelines given by the SECP from time to time.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2025		June 30, 2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
(Rupees in '000)				
Bank balances	33,716	33,716	5,139	5,139
Investments	1,133,686	-	122,820	-
Dividend and profit receivable	1,473	1,473	773	773
Receivable against sale of investments - net	36,507	36,507	-	-
Deposits	2,600	2,600	2,600	2,600
Receivable from the Management Company	3,574	3,574	2,013	2,013
	1,211,556	77,870	133,345	10,525

21.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2025 and June 30, 2024:

Bank	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency

(Rupees in '000')

Bank balances by rating category

MCB Bank Limited	1	AAA	PACRA
Habib Bank Limited	365	AA+	VIS
Bank Islami Pakistan Limited	1,327	AA-	PACRA
Al Baraka Bank Limited	32,023	AA-	VIS
	33,716		

Bank	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

(Rupees in '000')

Bank balances by rating category

MCB Bank Limited	1	AAA	PACRA
Habib Bank Limited	196	AA+	VIS
Bank Islami Pakistan Limited	4,203	AA-	PACRA
Al Baraka Bank Limited	739	A+	VIS
	5,139		

21.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	June 30, 2025	June 30, 2024
	----- (Percentage) -----	
Rating by rating category		
AAA	0.003	0.02
AA+	1.08	3.81
AA-	98.91	81.79
A+	-	14.38

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's concentration risk is mainly bank balances while the remaining transactions are entered into with diverse counterparties thereby mitigating any significant concentration of credit risk to counterparties.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

21.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of the unitholders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instance were witnessed by the Fund during the current year.

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

----- As at June 30, 2025 -----						
Within 1 month	Over three months and up to one year	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
----- (Rupees in '000) -----						
Financial assets						
Bank balances	33,716	-	-	-	-	33,716
Investments						
Listed equity securities	1,133,686	-	-	-	-	1,133,686
Dividend and profit receivable	1,473	-	-	-	-	1,473
Deposits	2,600	-	-	-	-	2,600
Receivable from the Management Company	3,574	-	-	-	-	3,574
Receivable against sale of investments - net	36,507	-	-	-	-	36,507
Sub total	1,211,556	-	-	-	-	1,211,556
Financial liabilities						
Payable to the Management Company	4,022	-	-	-	-	4,022
Payable to the Trustee	283	-	-	-	-	283
Payable against sale of investments - net	53,708	-	-	-	-	53,708
Dividend payable	12	-	-	-	-	12
Accrued expenses and other liabilities	6,989	-	-	-	-	6,989
Sub total	65,014	-	-	-	-	65,014
On-balance sheet gap	1,146,542	-	-	-	-	1,146,542
Total liquidity risk sensitivity gap	1,146,542	-	-	-	-	1,146,542
Cumulative liquidity risk sensitivity gap	1,146,542	-	-	-	-	1,146,542

----- As at June 30, 2024 -----						
Within 1 month	Over three months and up to one year	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
----- (Rupees in '000) -----						
Financial assets						
Bank balances	5,139	-	-	-	-	5,139
Investments						
Listed equity securities	122,820	-	-	-	-	122,820
Dividend and profit receivable	773	-	-	-	-	773
Deposits	2,600	-	-	-	-	2,600
Sub total	131,332	-	-	-	-	131,332
Financial liabilities						
Payable to the Management Company	263	-	-	-	-	263
Payable to the Trustee	22	-	-	-	-	22
Payable against sale of investments - net	2,178	-	-	-	-	2,178
Dividend payable	12	-	-	-	-	12
Accrued expenses and other liabilities	895	-	-	-	-	895
Sub total	3,370	-	-	-	-	3,370
On-balance sheet gap	127,962	-	-	-	-	127,962
Total liquidity risk sensitivity gap	127,962	-	-	-	-	127,962
Cumulative liquidity risk sensitivity gap	127,962	-	-	-	-	127,962

22. UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

22.1 The Fund has maintained and complied with the requirements of minimum fund size during the current year.

For level 1 investments at fair value through profit or loss - Investment in respect of equity securities, the Fund uses daily quotation rates which are taken from Pakistan Stock Exchange Limited at the reporting date.

22.2 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.

22.3 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.
The Fund has maintained and complied with the requirements of minimum fund size of Rs.100 million during the current year.

23. LIST OF TOP TEN BROKERS / DEALERS

Top ten brokers during the year ended June 30, 2025

1. Arif Habib Limited
2. Intermarket Securities Limited
3. JS Global Capital Limited
4. Ktrade Securities Limited
5. Chase Securities Pakistan (Private) Limited
6. Optimus Capital Management (Private) Limited
7. Darson Securities (Private) Limited
8. Integrated Equities Limited
9. DJM Securities Limited
10. AKD Securities Limited

Top ten brokers during the year ended June 30, 2024

1. Intermarket Securities Limited
2. Optimus Capital Management (Private) Limited
3. JS Global Capital Limited
4. DJM Securities Limited
5. Topline Securities (Private) Limited
6. Next Capital Limited
7. EFG Hermes Pakistan Limited
8. Arif Habib Limited
9. KTrade Securities Limited (formerly: Khadim Ali Shah Bukhari Securities Limited)
10. Ismail Iqbal Securities (Private) Limited

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26
2.	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	30
3.	Amin Mohammad	Head of Risk	MBA	33
4.	Wasim Akram	Senior Fund Manager	MBA	22

25. PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2025 is as follows:

Category	-----As at June 30, 2025-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
			---(Rupees in '000)---	-----%-----
Individuals	754	6,530,270	1,037,572	90.90
Asset Management Company	1	355,902	56,548	4.96
Trust	2	54	9	0.00
Retirement Funds	1	6	1	0.00
Other Corporate	4	297,599	47,285	4.14
Foreign Investors	1	11	2	0.00
	763	7,183,842	1,141,417	100.00

Pattern of unit holding at June 30, 2024 is as follows:

Category	-----As at June 30, 2024-----			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
			---(Rupees in '000)---	-----%-----
Individuals	370	680,740	75,851	60.12
Associated Company	1	450,829	50,233	39.82
Insurance company	1	709	79	0.06
	372	1,132,278	126,163	100.00

26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2024, September 26, 2024, October 24, 2024, January 25, 2025, February 18, 2025, April 27, 2025, May 26, 2025, May 27, 2025 and June 04, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave Granted	
1	Mr. Shahid Ghaffar **	9	9	-	-
2	Ms. Ava A. Cowasjee **	9	9	-	-
3	Mr. Rayomond H. Kotwal **	9	6	3	August 28, 2024, May 2, 2025 & June 04, 2025
4	Mr. Abrar Ahmed Mir **	9	8	1	August 28, 2024
5	Mr. Tariq Masaud **	9	8	1	October 24, 2024
6	Mr. Abid Sattar *	6	6	-	-
7	Mr. Khalid Malik **	9	9	-	-
8	Mr. Habib Yousuf Habib ***	3	2	1	May 27, 2025
9	Ms. Sheeza Ahmed ***	3	3	-	-

* Completed term and retire on April 28, 2025.

** Completed term and reappointed on April 29, 2025.

*** Appointed on April 29, 2025.

27. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

28. GENERAL

28.1 Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



HBL LiveStock Fund

FUND INFORMATION

NAME OF FUND	HBL LIVESTOCK FUND
NAME OF TRUSTEE	Digital Custodian Company Limited
NAME OF AUDITOR	BDO Ebrahim & Co. Chartered Accountants
NAME OF SHARIAH ADVISORS	Al - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Habib Bank Limited Bank Al Baraka Limited



ASSET MANAGEMENT LTD.
ایسٹیت منیجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Livestock Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

UAN (021) 111-425-262
Fax (021) 35168455
www.hblasasset.com

September 30, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Livestock Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Yousuf Bandukda, CFA
Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL LIVESTOCK FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Livestock Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, the statement of movement in unit holders' fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

Emphasis of Matter - Basis of Accounting

We draw attention to Notes 1.2 to the financial statements, which state that The Fund redeemed all of its units during the year before the end of financial year June 30, 2025. The Fund ceased to exist as per the direction given by the SECP. Accordingly, the accompanying financial statements have been prepared on a non-going concern basis.

Our opinion is not modified in respect of this matter.

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

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("HBL Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of the Management company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting. When such use is inappropriate and management uses an alternate basis of accounting, we conclude on the appropriateness of management's use of the alternative basis of accounting. We also evaluate the adequacy of the disclosures describing the alternative basis of accounting and reasons for its use. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

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

KARACHI

DATED: 22 SEP 2025

UDIN: : AR202510166oYk6VEvG1

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

	Note	2025 ----- (Rupees in '000) -----	2024
ASSETS			
Balances with banks	5	14,318	-
Biological assets	6	-	-
Formation cost		-	-
Other receivable	7	-	-
TOTAL ASSETS		14,318	-
LIABILITIES			
Payable to the HBL Asset Management Limited - Management Company	8	4,380	-
Payable to the Digital Custodian Company Limited - Trustee	9	139	-
Payable to Securities and Exchange Commission of Pakistan	10	98	-
Other liabilities	11	9,701	-
TOTAL LIABILITIES		14,318	-
NET ASSETS		-	-
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	-
CONTINGENCIES AND COMMITMENTS	12		
		-----Number of units-----	
Number of units in issue	14	-	-
		-----Rupees-----	
Net assets value per unit		-	-

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL LiveStock Fund INCOME STATEMENT

FOR THE PERIOD FROM JULY 23, 2024 TO MAY 30, 2025

		For the period from July 23, 2024 to May 30, 2025	For the period from July 01, 2023 to February 14, 2024
	Note	----- (Rupees in '000) -----	
Income			
Gain on sale of biological assets	13	314,435	29,252
Profit on bank deposits		46,879	2,234
Other income		40,134	-
		<u>401,448</u>	<u>31,486</u>
Unrealised gain arising from change in the fair value of biological asset	6.1	-	-
		<u>401,448</u>	<u>31,486</u>
Expenses			
Remuneration of the HBL Asset Management Company - Management Company	8.1	40,530	1,658
Sindh Sales Tax on remuneration of the Management Company	8.2	6,080	216
Remuneration of the Digital Custodian Company Limited - Trustee	9.2	1,283	466
Sindh Sales Tax on remuneration of the Trustee	9.3	193	62
Annual fee to Securities and Exchange Commission of Pakistan	10.1	1,013	12
Formation cost		-	1,087
Auditors' remuneration	15	640	182
Insurance fee		25,456	1,005
Shariah advisory services		338	54
Bank charges		73	-
Travelling expense		-	1,659
Printing expense		-	80
Testing and inspection cost		8,213	809
Livestock manager fee		57,437	1,896
Livestock overheads		92,741	3,792
Provision for doubtful debts		96,665	-
Loss on livestock mortality		7,240	-
		<u>337,902</u>	<u>12,978</u>
Net income for the period before taxation		63,546	18,508
Taxation	16	-	-
Net income for the period after taxation		<u>63,546</u>	<u>18,508</u>
Allocation of net income for the period			
Income already paid on redemption of units		63,546	18,508
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		-	-
		<u>63,546</u>	<u>18,508</u>
Earnings per unit	17		

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

For the period from July 23, 2024 to May 30, 2025 For the period from July 01, 2023 to February 14, 2024
 ----- (Rupees in '000)-----

Net income for the period after taxation	63,546	18,508
Other comprehensive income	-	-
Total comprehensive income for the period	<u>63,546</u>	<u>18,508</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
 (Management Company)

 Chief Financial Officer

 Chief Executive Officer

 Director

HBL LiveStock Fund **Statement of Movement In Unitholders' Fund** **FOR THE PERIOD FROM JULY 23, 2024 TO MAY 30, 2025**

	For the period from July 23, 2024 to May 30, 2025			FOR THE PERIOD FROM JULY 23, 2024 TO MAY 30, 2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000			Rupees in '000		
Net assets at beginning of the period	-	-	-	90,000	3,618	93,618
Issuance of 1,521,244 units (2024: Nil Units)						
Capital value	1,521,244	-	1,521,244	-	-	-
Element of Income	334	-	334	-	-	-
Total proceeds on issuance of units	1,521,578	-	1,521,578	-	-	-
Redemption of 1,521,244 units (2024: 90,000 units)						
Capital value	(1,521,244)	-	(1,521,244)	(90,000)	(3,618)	(93,618)
Income already paid on redemption of units	-	-	-	-	(18,508)	(18,508)
Element of loss	(63,880)	-	(63,880)	-	-	-
Total payments on redemption of units	(1,585,124)	-	(1,585,124)	(90,000)	(22,126)	(112,126)
Total comprehensive income for the period	-	63,546	63,546	-	18,508	18,508
Net assets at end of the period	(63,546)	63,546	-	-	-	-
Undistributed income brought forward						
Realised income	-			(12,452)		
Unrealised income	-			16,070		
	-			3,618		
Accounting income available for distribution						
Relating to capital gain	-			-		
Excluding capital gain	-			-		
	-			-		
Undistributed income carried forward	-			-		
Undistributed income carried forward						
Realised income / (loss)	-			-		
Unrealised income	-			-		
	-			-		
			---Rupees---			---Rupees---
Net assets value per unit at beginning of the period			-			-
Net assets value per unit at end of the period			-			-

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

		For the period from July 23, 2024 to May 30, 2025	For the period from July 01, 2023 to February 14, 2024
Note		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	Net income for the period before taxation	63,546	18,508
	Adjustments for:		
	Capital gain on sale of biological assets	(314,435)	(29,252)
	Profit on bank deposits	(46,879)	(2,234)
	Other income	(40,134)	-
	Loss on livestock mortality	7,240	
		<u>(330,662)</u>	<u>(12,978)</u>
Decrease / (increase) in assets			
	Biological assets - net	6 334,409	79,251
	Formation cost	-	1,101
	Advances, deposits and prepayments	-	4,362
	Other receivables	7 -	28,205
		<u>334,409</u>	<u>112,919</u>
(Decrease) / increase in liabilities			
	Payable to the HBL Asset Management Limited - Management Company	8 4,380	(635)
	Payable to the Digital Custodian Company Limited - Trustee	9 139	(159)
	Payable to Securities and Exchange Commission of Pakistan	10 98	(4)
	Other liabilities	11 9,701	(2,082)
		<u>14,318</u>	<u>(2,880)</u>
Cash generated from / (use in) operations			
	Profit received on bank deposits	18,065	97,061
	Insurance claim received against death of animals	46,879	2,234
		<u>12,920</u>	<u>-</u>
Net cash flows generated from / (used in) operating activities			
		<u>77,864</u>	<u>99,295</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
	Receipts from issue of units	1,521,578	-
	Payments against redemption of units	(1,585,124)	(112,126)
	Net cash (used in) financing activities	<u>(63,546)</u>	<u>(112,126)</u>
	Net increase / (decrease) in cash and cash equivalents during the period	14,318	(12,831)
	Cash and cash equivalents at beginning of the period	-	12,831
	Cash and cash equivalents at end of the period	5 <u>14,318</u>	<u>-</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 "The HBL Livestock Fund (the Fund) was established through a Trust Deed (the Deed) dated November 29, 2022 under the Sindh Trust Act, 2020 (the Sindh Trust Act) executed between HBL Asset Management Limited, the Management Company, and Digital Custodian Company Limited (DCCL) the Trustee. The fund was approved by the Securities and Exchanges Commission of Pakistan (SECP) vide letter no. SCD/AMCW/HBLLSF/159/2022 dated December 20, 2022. "

1.2 The Fund has been categorised as a Shariah Compliant Livestock scheme. This scheme, being a specialized trust, as defined under section 2(u-i) of the Sindh Trusts Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 had been placed under the Regulatory Sandbox (RSB) framework of the Securities and Exchange Commission of Pakistan (SECP) for testing purposes. The second phase of the testing period under the RSB expired on December 31, 2024. Subsequently, the Management Company applied to the SECP for an extension, due to the inability to redeem all outstanding units within the stipulated period.

The SECP granted the extension until June 30, 2025, under which the redemption of units of the Fund was carried out in three windows, held on March 28, 2025, April 30, 2025 and May 30, 2025. The Fund is not listed on the Pakistan Stock Exchange Limited. Units were offered for public subscription at the inception of the Fund and are transferable only at the time of maturity.

In view of the above, these financial statements have been prepared on an alternative accounting basis as disclosed in note 2 of the financial statements.

1.3 The investment objective of HBL Livestock Fund is to provide shariah compliant returns to its investors by investing in cattle for fattening, overheads and expenses related to this activity within the maturity period.

1.4 VIS Credit Rating company has assigned a management quality rating of 'AM1' (Positive outlook) to the HBL Asset Management Company Limited as at December 31, 2024 while the fund is currently not rated.

1.5 Title to the assets of the Fund is held in the name of Digital Custodian Company Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017,
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'NBFC Regulations') and requirements of the Trust Deed.
- Accounting Standards on "Non-Going Concern basis of Accounting" Standard issued by the Institute of Chartered Accountants of Pakistan.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and the NBFC Regulations and trust deed shall prevail.

2.2 Basis of measurement

These financial statements are prepared under non-going concern basis of accounting in line with the detailed statement given in the forgoing note 2.1. Accordingly, all the assets are stated at the lower of carrying value and their net realizable values and all liabilities are stated at settlement values.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional currency.

2.4 Use of judgments and estimates

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future period if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

Valuation of Biological assets

For details please refer notes 4.3 to these financial statements.

Impairment of financial assets

For details please refer note 4.2.1.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

4 MATERIAL ACCOUNTING POLICIES INFORMATION

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

4.1 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.

4.2 Financial instruments

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

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified and measured at: amortised cost or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model on which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (refer note 4.2.1.2). Interest income, foreign exchange gains and losses and impairment are recognised in income statement.

All the financial assets of the funds are measured at amortised cost.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.

- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

4.2.1.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and 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.

4.3 Biological assets

Biological assets are measured on initial recognition and at the end of each reporting period at its fair value less cost to sell. A gain or loss arising on initial recognition of biological asset at fair value less cost to sell and from change in fair value less cost to sell of biological asset shall be included in profit or loss for the period in which it arise. Cost to sell are the incremental costs directly attributable to the disposal of asset. The fair value of livestock is based on the market price of livestock of similar age, breed and genetic merit.

The fund recognizes a biological asset, when it controls the asset as a result of past events, and it is probable that further economic benefits associated with the asset will flow to the Fund, and the fair value of the asset can be measured reliably.

4.4 Provisions

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

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.6 Net assets value per unit

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

4.7 Revenue recognition

- Profit on bank deposits is recognised on a time apportionment basis using effective interest rate.
- Unrealised appreciation (diminution) arising on re-measurement of biological assets are included in the income statement in the period in which they arise.
- Gain / (loss) is recognized on sale of biological asset as and when the performance obligation to transfer the control of biological assets to customers is satisfied .

4.8 Transactions with related parties / connected persons

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

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Rules, Regulations and the Trust Deed respectively.

	Note	2025 ----- Rupees in '000 -----	2024
5 BALANCES WITH BANKS			
in savings accounts	5.1	14,318	-
		<u>14,318</u>	<u>-</u>

5.1 These carry profit at the rate ranging from 6.25% to 18% (2024: Nil).

5.2 This balance is held with Habib Bank limited, a related party.

6 BIOLOGICAL ASSETS

Biological assets - Live stock
Livestock

6.1	-	-
	<u>-</u>	<u>-</u>

6.1 Biological assets

	2025 -----Quantity-----	2024	2025 ----- Rupees in '000 -----	2024
Carrying amount at the beginning of the period	-	439	-	50,000
Additions during the period	22,088	874	1,737,526	70,216
Sales / disposal during the period	(22,088)	(1,313)	(1,737,526)	(120,216)
Unrealized gain arising from change in the fair value	-	-	-	-
Fair value less cost to sale at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Market value as a percentage of net assets	-	-	-	-
Market value as percentage of total Biological assets	-	-	-	-

6.1.1 The fair value measurement of the livestock has been categorised as level-2 fair value based on observable market sales data, using market comparison technique under which market price is based on the market price of live stock of similar age, weight and market values.

			2025	2024
	Note		---Rupees in '000---	
7	OTHER RECEIVABLE			
		Receivable from Farmers	96,665	-
		Less: Provision for doubtful debts	(96,665)	-
			<u>-</u>	<u>-</u>
8	PAYABLE TO THE HBL ASSET MANAGEMENT COMPANY - MANAGEMENT COMPANY			
		Remuneration payable	8.1	3,809
		Sindh Sales Tax payable	8.2	571
			<u>4,380</u>	<u>-</u>
8.1	As per the amended Regulation 61 of the NBFC Regulation, an Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the Offering Document (OD) is 3% per annum of average annual net assets. During the period, the fee has been charged at the rate of 3% of the average annual net assets. The fee is payable monthly in arrears.			
8.2	The Sindh Sales Tax charge at the rate of 15% (2024: 13%) as per the Sindh Sales Tax on Services Act, 2011.			
9	PAYABLE TO THE DIGITAL CUSTODIAN COMPANY LIMITED - TRUSTEE			
		Fee payable	9.1 & 9.2	121
		Sindh Sales Tax payable	9.3	18
			<u>139</u>	<u>-</u>
9.1	The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tariff specified therein, based on the average annual net assets of the Fund.			
9.2	As per the trust deed and offering document, the trustee remuneration shall consist of reimbursement of actual custodian expenses plus trustee tariff of 0.095% p.a. of net assets. During the period, the Management Company has charged the Trustee fee accordingly.			
9.3	The Sindh Sales Tax charge at the rate of 15% (2024: 13%) as per the Sindh Sales Tax on Services Act, 2011.			
			2025	2024
	Note		---Rupees in '000---	
10	PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
		Annual fee payable	10.1	98
10.1	As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a CIS shall pay SECP an annual fee of 0.075% of the average annual net assets. The fee is payable annually in arrears.			

11 OTHER LIABILITIES

Audit fee payable	489	-
Shariah advisory fee payable	246	-
Capital gain tax payable	8,966	-
	<u>9,701</u>	<u>-</u>

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025.(2024: NIL)

13 GAIN ON SALES OF BIOLOGICAL ASSETS

Proceed from sales of biological asset	2,980,748	186,282
Carrying amount	(1,717,553)	(120,215)
Cost of feed	<u>(948,760)</u>	<u>(36,815)</u>
	<u>314,435</u>	<u>29,252</u>

---Number of Units---

14 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the period	-	90,000
Add: Units issued	1,521,244	-
Less: Units redeemed	<u>(1,521,244)</u>	<u>(90,000)</u>
Total units in issue at the end of the period	<u>-</u>	<u>-</u>

15 AUDITORS' REMUNERATION

Annual audit fee	576	168
Other certifications and out of pocket expenses	<u>64</u>	<u>14</u>
	<u>640</u>	<u>182</u>

16 TAXATION

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current year, as the Management Company has distributed at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) to its unit holders.

17 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

18 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial assets			
Bank balances	-	14,318	14,318
Receivable from Farmers	-	-	-
	-	14,318	14,318

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial liabilities			
Payable to the HBL Asset Management Limited	-	3,809	3,809
Payable to the Digital Custodian Company Limited	-	121	121
Other liabilities	-	735	735
	-	4,665	4,665

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial assets			
Bank balances	-	-	-
Receivable from SK Farm	-	-	-
	-	-	-

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
(Rupees in '000)			
Financial liabilities			
Payable to the HBL Asset Management Limited	-	-	-
Payable to the Digital Custodian Company Limited	-	-	-
Accrued expenses and other liabilities	-	-	-
	-	-	-

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Digital Custodian Company Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Rules, Regulations and the Trust Deed, respectively.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

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

	2025	2024
	-----Rupees in '000-----	
19.1 Transactions during the year		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	40,530	1,658
Sindh Sales Tax on remuneration of the Management Company	6,080	216
DCCL - Trustee		
Remuneration of the Trustee	1,283	466
Sindh Sales Tax on remuneration of the Trustee	193	61
Habib Bank Limited - Sponsor		
Profit on Bank Deposits	37,764	287
Bank charges	73	-
Directors & Executives of the Management Company		
Issue of 5,273 units (2024: issue of Nil units)	5,273	-
Redemption of 5,273 units (2024: issue of Nil units)	5,446	-
19.2 Balance outstanding as at the year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	3,809	-
Sindh Sales Tax payable on Management Company's remuneration	571	-
DCCL - Trustee		
Trustee fee payable	121	-
Sindh Sales Tax on remuneration of the Trustee	18	-
Habib Bank Limited - Sponsor		
Bank balances	14,318	-

20 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund entirely invests in livestock. This activity is exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

20.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market prices. Currently the fund is not exposed to any market risk as the fund has matured at year end.

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

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

20.1.1 Currency risk

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

20.1.2 Interest rate risk

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Currently the fund is not exposed to interest rate risk as the fund has matured at year end.

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, The Fund is not currently exposes to price risk.

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund is not currently expose to credit risk.

20.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2025 and June 30, 2024:

Name of Bank	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency

(Rupees in '000)

Balances with banks by rating category

Al Baraka Bank Pakistan Limited	-	A-1	VIS
Habib Bank Limited	14,318	A-1+	VIS
	<u>14,318</u>		

Name of Bank	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

(Rupees in '000)

Balances with banks by rating category

Al Baraka Bank Limited	-	A-1	VIS
Habib Bank Limited	-	A-1+	VIS
	<u>-</u>		

20.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	2025	2024
Rating by rating category	----- (Percentage) -----	
A-1+	100%	-
A-1	-	-

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of livestock is wholly concentrated in bank balances. There is no concentration of credit risk at reporting date.

20.3 Liquidity risk

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

21 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total fund size at the end of each period.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

22 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follow:

S.No.	Name	Designation	Qualification	Experience in years
1	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29+
3	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
4	Amin Mohammad	Head of Risk	MBA	32+
5	Hammad Ali Abbas	Senior Fund Manager	MSC	20+
6	Wasim Akram	Senior Fund Manager	MBA	21+

23 PATTERN OF UNIT HOLDING

The Fund has redeemed all of its units held on May 30, 2025 after which there has been no unit holder left in the fund.

24 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2024 ,September 26,2024, October 24, 2024, , January 25,2025 ,February 18, 2025 , April 27, 2025,May 26,2025,May 27,2025 and June 04,2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave Granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	9	-	-
3	Mr. Rayomond H. Kotwal	9	6	3	August 28, 2024, May 27, 2025 & June 04, 2025
4	Mr. Abrar Ahmed Mir	9	8	1	August 28,2024
5	Mr. Tariq Masaud	9	8	1	October 24,2024
6	Mr. Abid Sattar	6	6	-	-
7	Mr. Khalid Malik	9	9	-	-
8	Mr. Habib Yousuf Habib	3	2	1	May 27,2025
9	Ms. Sheeza Ahmed	3	3	-	-

25 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended June 30, 2025 is 3.85% which includes 0.54% representing government levy and SECP fee.

26 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No Significant rearrangement or reclassification was made in these financial statements during the current year.

27 GENERAL

27.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Fixed
Term Fund

FUND INFORMATION

NAME OF FUND	HBL Islamic Fixed Term Fund
NAME OF AUDITOR	BDO Ebrahim & Co. Chartered Accountants.
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited.
NAME OF BANKERS	United Bank Limited

Type and Category of Fund

Open end Shariah Compliant Fixed Rate Scheme

Investment Objective and Accomplishment of Objective

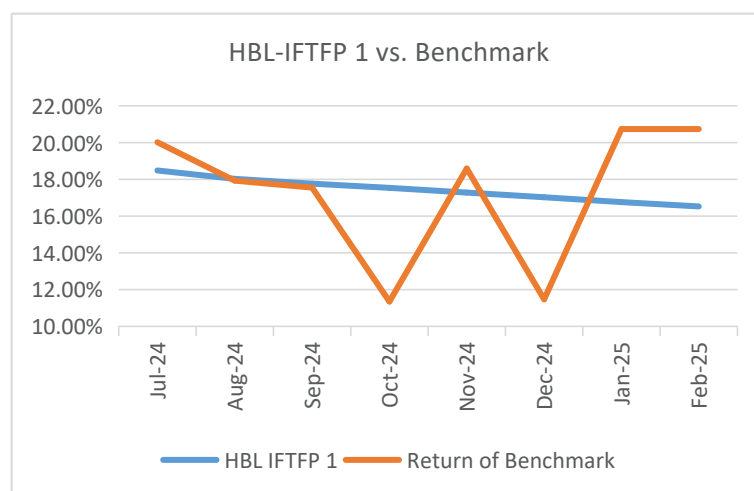
The objective of the Fund is to offer multiple Investment Plans and each Investment Plan shall make investments in such a manner that the original amount of investment is protected whilst having the potential to yield positive return at the maturity date. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

PKIRSV Rates (for comparable period of the plan) at the time of plan launch.

The comparison of the fund return with benchmark is given below:

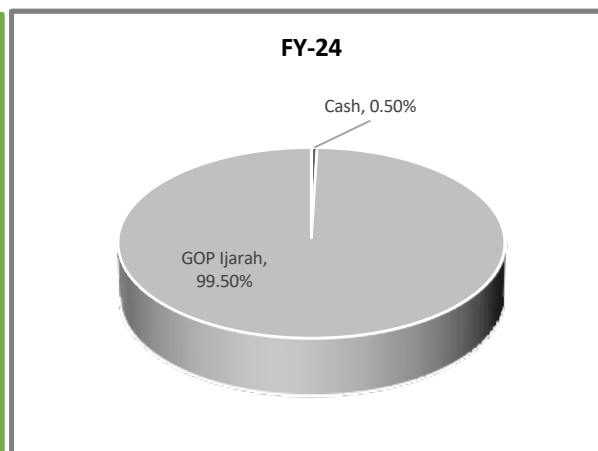
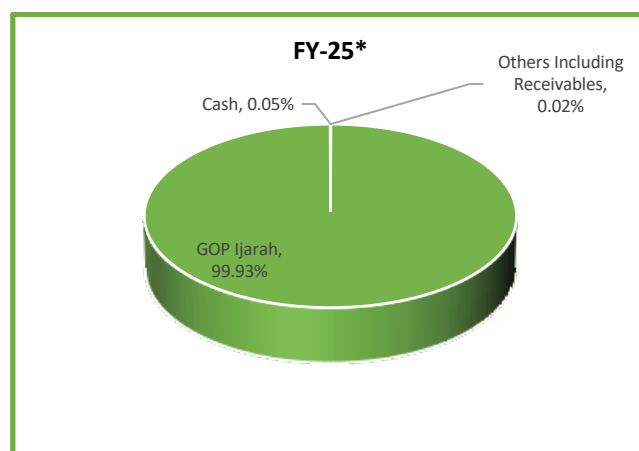
Month	Return of Fund	
	HBL -IFTF	Benchmark
Jun-25	NA	NA
May-25	NA	NA
Apr-25	NA	NA
Mar-25	NA	NA
Feb-25	16.53%	20.74%
Jan-25	16.76%	20.74%
Dec-24	17.03%	11.47%
Nov-24	17.28%	18.59%
Oct-24	17.54%	11.35%
Sep-24	17.77%	17.55%
Aug-24	18.03%	17.93%
Jul-24	18.48%	20.02%



Strategies and Policies employed during the Period

The Fund remained primarily invested in GoP Ijarah Sukuk (GIS). At the end of the period, asset allocation comprised of 99.93% investment in GIS and remaining 0.05% in DPA accounts. Going forward, additional investment avenues will be explored towards investments in shorter duration placements to augment returns. HBL Islamic Fixed Term Fund Plan 1 posted an annualized return of 16.53% compared to its benchmark return of 20.74%.

Asset Allocation



Fund Performance

The total and net income of the Fund was Rs. 237.74 million and Rs. 227.32 million respectively during the year ended June 30, 2025. The plan was fully matured before the year end and all the proceeds are paid to respective investors. The size of Fund stands Nil as on June 30, 2025 as compared to Rs. 1.67 billion as at start of the year.

Money Market Review

In FY25, KMI-30 Index gained 45% YoY in PKR terms and 43% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the KMI-30 has delivered a remarkable 161% cumulative return in PKR terms and 163% in USD terms, making it one of the best-performing Shariah-compliant equity indices globally over this period.

This rally was underpinned by macroeconomic stability achieved through the IMF program, completion of the first IMF review in March 2025, aggressive monetary easing from 20.5% to 11%, Fitch's upgrade of Pakistan's credit rating from CCC+ to B-, improving macro indicators, and improved liquidity as flows shifted from fixed income to equities. As per Bloomberg data, Pakistan's market ranked as the 8th best-performing market globally in FY25 on a standalone basis with a 57% USD return, but over the two-year period, it stood out as the best performer worldwide.

The sectors that majorly contributed to the performance in FY25 were Commercial Banks (+15,155 pts), Fertilizer (+9,716 pts), Oil and Gas Exploration Companies (+6,865 pts) and Cements (+5,622 pts). Whereas script wise major contribution came from FFC (+6,305 pts), UBL (+5,305 pts), MARI (+2,648 pts), LUCK (+2,536pts) and OGDC (+2,082pts).

After peaking at 20.5%, the interest rate cycle reversed sharply in FY25, with the policy rate cut to 11% by June 2025 on the back of a drastic decline in inflation. Headline CPI has averaged in the low single digits, providing ample room for monetary easing. The successful completion of the first review under the 3-year IMF EFF program, improving macroeconomic indicators, Fitch's upgrade of Pakistan's credit rating to B-, and strong corporate earnings outlook have further strengthened investor confidence. Alongside, a weakening oil price outlook and continued multilateral and bilateral funding support are expected to sustain the positive momentum in equities.

We expect the positive momentum in Pakistan's equity markets to continue, driven by sustained monetary easing, stable macroeconomic indicators, and robust corporate earnings growth. Improving credit outlook and ongoing IMF support provide further room for market rerating. However, risks remain from geopolitical tensions, global commodity price shocks, etc.

Distribution

The Fund has distributed cash dividend up-to Nil per unit for the year ended June 30, 2025.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the period under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 – 100	-	-
101 – 500	-	-
501 – 1,000	-	-
1,001 – 10,000	-	-
10,001 – 100,000	-	-
100,001 – 500,000	-	-
500,001 – 1,000,000	-	-
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	-	-

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.



ASSET MANAGEMENT LTD.
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STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Fixed Term Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
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Main Clifton Road,
Clifton, Karachi

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OF PAKISTAN LIMITED**

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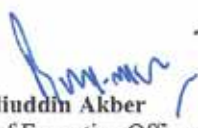
TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC FIXED TERM FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Fixed Term Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 29, 2025



INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL ISLAMIC FIXED TERM FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Islamic Fixed Term Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2025, and its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

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

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

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and its Board of Directors

The Management Company ("HBL Asset Management Limited") of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Trust Deed, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and accounting and reporting standards as applicable in Pakistan and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of the Management company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Trust Deed, NBFC Rules and NBFC Regulations.

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

KARACHI

DATED: 22 SEP 2025

UDIN: AR202510166aPVRKX2Du


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL Islamic Fixed Term Fund
Statement of Assets and Liabilities
As at June 30, 2025

	Note	2025 --Rupees in '000'--	2024
ASSETS			
Balances with banks	5	1,598	18,556
Investments	6	-	1,663,081
CDC security deposit		100	-
Profit / mark-up receivable	7	-	288
TOTAL ASSETS		1,698	1,681,925
LIABILITIES			
Payable to the HBL Asset Management Limited - Management Company	8	1,042	1,099
Payable to the Central Depository Company - Trustee	9	-	182
Payable to Securities and Exchange Commission of Pakistan	10	-	102
Shariah fee payable		-	64
Legal fee payable		150	-
Accrued expenses and other liabilities	11	506	11,489
TOTAL LIABILITIES		1,698	12,936
NET ASSETS		-	1,668,989
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	1,668,989
CONTINGENCIES AND COMMITMENTS			
	12	--Number of units--	
Number of units in issue	13	-	16,614,842
		--(Rupees)--	
Net assets value per unit		-	100.4517

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

		2025	For the period from March 28, to June 30, 2024
	Note	--Rupees in '000'--	
Income			
Income from Government securities		236,919	82,179
Profit on bank deposits		819	1,906
		<u>237,738</u>	<u>84,085</u>
Expenses			
Remuneration of the Management Company	18.1	5,839	2,554
Sindh Sales Tax on remuneration of the Management Company	18.1	876	332
Remuneration of the Trustee	18.1	728	234
Sindh Sales Tax on remuneration of the Trustee	18.1	109	30
Annual fee to Securities and Exchange Commission of Pakistan	10.1	993	319
Auditors' remuneration	14	473	435
Shariah Advisory Fee		178	85
CDC Charges		8	1
Amortisation of preliminary expenses and flotation costs		887	54
Bank charges		6	20
Legal and professional charges		271	
Printing and stationary charges		54	180
		<u>10,422</u>	<u>4,245</u>
Net income for the period before taxation		227,316	79,840
Taxation	15	-	-
Net income for the period		<u>227,316</u>	<u>79,840</u>
Allocation of net income for the period			
Income already paid on redemption of units		227,316	-
Accounting income available for distribution:			
Relating to capital gain		-	-
Excluding capital gain		-	79,840
		<u>-</u>	<u>79,840</u>
		<u>227,316</u>	<u>79,840</u>
Earnings per unit	16		

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

	2025	For the period from March 28, to June 30,2024
	--Rupees in '000'--	
Net income for the period	227,316	79,840
Other comprehensive income	-	-
Total comprehensive income for the period	<u>227,316</u>	<u>79,840</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

 Chief Financial Officer

 Chief Executive Officer

 Director

HBL Islamic Fixed Term Fund
Statement of Movement In Unitholders' Fund
FOR THE YEAR ENDED JUNE 30, 2025

	2025			For the period From March 28, to June 30,2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000			Rupees in '000		
Net assets at beginning of the period	1,661,483	7,506	1,668,989	-	-	-
Issuance of Nil units (2024: 1,6614,842)						
Capital value (at net asset value per unit at the beginning of the period)	-	-	-	1,661,483	-	1,661,483
Element of income	-	-	-	-	-	-
Total proceeds on issuance of units	-	-	-	1,661,483	-	1,661,483
Redemption of 16,614,842 units (2024: Nil Units)						
Capital value (at net asset value per unit at the beginning of the period)	(1,661,483)	(7,506)	(1,668,989)	-	-	-
Element of Loss	-	(227,316)	(227,316)	-	-	-
Total proceeds on redemption of units	(1,661,483)	(234,822)	(1,896,305)	-	-	-
Total comprehensive income for the period	-	227,316	227,316	-	79,840	79,840
Interim distribution						
Rs 4.4509 per unit declared on June 21, 2024 as cash dividend						
Refund of capital	-	-	-	-	-	-
Distributed during the period	-	-	-	-	(72,334)	(72,334)
Net assets at end of the period	-	227,316	227,316	-	7,506	7,506
	-	-	-	1,661,483	7,506	1,668,989
Undistributed income brought forward						
Realised income		7,506			-	
Unrealised income		-			-	
		7,506			-	
Accounting income available for distribution						
Relating to capital gain		-			-	
Excluding capital gain		-			79,840	
		-			79,840	
Income pertaining to previous period		(7,506)			-	
Distributions during the period:						
Interim distribution of Rs 4.4509 per unit declared on June 21, 2024 as cash dividend		-			(72,334)	
		-			(72,334)	
Undistributed income carried forward						
Realised income		-			7,506	
Unrealised income		-			-	
		-			7,506	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			100.4517			-
Net assets value per unit at end of the period			-			100.4517

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

		2025	For the period from March 28, to June 30,2024
	Note	--Rupees in '000'--	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		227,316	79,840
Adjustments for:			
Income from Government securities		(236,919)	(82,179)
Profit on bank deposits		(819)	(1,906)
		(10,422)	(4,245)
(Increase)/Decrease in assets			
Investments	5	1,900,000	(1,663,081)
Advances, deposits, prepayments and other receivables		(100)	-
Profit / mark-up receivable		288	-
		1,900,188	(1,663,081)
Increase/(Decrease) in liabilities			
Payable to the Management Company	8	(58)	1,099
Payable to the Trustee	9	(182)	182
Payable to Securities and Exchange Commission of Pakistan	10	(102)	102
Shariah fee payable		(64)	64
Legal Fee payable		150	-
Accrued expenses and other liabilities	11	(10,983)	11,489
		(11,239)	12,936
Cash used in operating activities		1,878,528	(1,654,390)
Income received from Government securities		-	82,179
Profit / mark-up received on bank deposits		819	1,618
		819	83,797
Net cash used in operating activities		1,879,347	(1,570,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		-	1,661,483
Dividend paid		-	(72,334)
Transfer of unit holder's investment in another fund		(1,896,305)	-
Net cash generated from financing activities		(1,896,305)	1,589,149
Net increase in cash and cash equivalents		(16,958)	18,556
Cash and cash equivalents at beginning of the period		18,556	-
Cash and cash equivalents at end of the period	5	1,598	18,556

The annexed notes from 1 to 28 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

1 LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Fixed Term Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on October 25, 2023 and registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBLIFTF/2023/376 dated December 04, 2023.

Effective from September 1, 2016, HBL Asset Management Limited became Management Company 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 Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an Open-End Fixed Rate/Return Scheme. The Management Company have the intention of launching 10 fixed return plans having maturity upto thirty six months from the date of closure of the IPO. The Allocation Plans shall be closed for new subscriptions after the close of the subscription period. During the year, HBL Islamic Fixed Term Fund Plan-I is matured. The Units of which were initially offered for public subscription at a par value of Rs.100 per unit from March 27, 2024. The management is in the phase of launching further plans in future.

The Fund has been categorised as a Fixed Rate/Return scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

The Core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 31, 2024 while the fund is currently not rated.

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- The NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the 'Non-Banking Finance Companies Regulations') and the requirements of the Trust Deed.

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Fund's functional currency.

2.4 Use of judgments and estimates

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgement in application of accounting policies. The estimates, judgements and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

Classification and valuation of investment

For details please refer notes 4.2.1.1 and 18 to these financial statements.

Impairment of investment

For details please refer note 4.2.1.2 to these financial statements.

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

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

4 MATERIAL ACCOUNTING POLICIES INFORMATION

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

4.1 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.

4.2 Financial instruments

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

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets and financial liabilities

On initial recognition, a financial asset is classified and measured at amortised cost or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (refer note 4.2.1.2). Interest income and impairment are recognised in income statement.

4.2.1.2 Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Fund's financial assets include mainly investments and bank balances.

SECP through its SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 have deferred the applicability of above impairment requirements in relation to debt securities for mutual funds. Meanwhile, asset management companies shall continue to follow the requirements of Circular 33 of 2012 dated October 24, 2012 in relation to impairment of debt securities.

4.2.1.3 Regular way purchase and sale of financial assets

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Fund commits to purchase or sell the asset.

4.2.1.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

4.2.2 Financial liabilities

All financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and 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.

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.5 Proposed distributions

Distributions declared subsequent to the reporting date are considered as non-adjusting events and are not recognised before the reporting date.

4.6 Issue and redemption of units

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

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

4.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Realised capital gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Mark-up / profit / return on Government securities, bank profits and investment in debt securities are recognized using the effective interest method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.

4.10 Transactions with related parties / connected persons

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

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

		2025	2024
	Note	-----Rupees in '000-----	-----
5 Balances with banks			
Local Currency			
In savings accounts	5.1	1,598	18,556
5.1	These carries mark-up at rates ranging between 6.00% to 18.75% per annum.		
6 INVESTMENTS			
Financial assets			
At amortised cost	6.1	-	1,663,081
		-	1,663,081

		2025	2024
6.1	Financial assets at amorised cost	Note	Rupees in '000
	Government securities		
	GoP Ijara sukuk	6.1.1	-
			1,663,081
			-
			1,663,081

6.1.1 GOP Ijara sukuk certificates

Issue Details	Issue date	Maturity date	Face value				Carrying value as at June 30, 2025	Market value as at June 30, 2025	Un-realised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
			As at July 1, 2024	Purchases during the period	Sales / matured during the period	As at June 30, 2025					
(Rupees in '000)											
GOPIS 12M 24-01-2024	29-Mar-24	28-Mar-25	1,900,000	-	1,900,000	-	-	-	-	0.00%	0.00%
Total - as at June 30, 2025			1,900,000	-	1,900,000	-	-	-	-	0.00%	0.00%

6.1.1 GOP Ijara sukuk certificates

Issue Details	Issue date	Maturity date	Face value				Carrying value as at June 30, 2024	Market value as at June 30, 2024	Un-realised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
			As at July 1, 2023	Purchases during the period	Sales / matured during the period	As at June 30, 2024					
(Rupees in '000)											
GOPIS 12M 24-01-2024	29-Mar-24	28-Mar-25	-	1,900,000	-	1,900,000	1,663,081	1,663,081	-	100%	99.65%
Total - as at June 30, 2024			-	1,900,000	-	1,900,000	1,663,081	1,663,081	-	100%	99.65%

6.1.2 As at June 30, 2025, GOP Ijarah Sukuks has a face value of Rs.0 (2024:Rs.19 million, carrying effective yield of 20.18% per annum.)

	2025	2024
Note	Rupees in '000	

7 PROFIT / MARK-UP RECEIVABLE

Bank deposit	-	288

8 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management Company	8.1	-	925
Sindh Sales Tax on Management Company's remuneration	8.2	-	120
Formation cost payable		1,041	54
		1,041	1,099

8.1 As per the Regulation 61 of the NBFC Regulations, Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the offering document is 1.50% per annum of average annual net assets. During the period, the fee is being charged at the rate (0.45%-0.41%) of the average annual net assets. The fee is payable monthly in arrears.

- 8.2 The Sindh Government has levied Sindh Sales Tax at the rate of 15% on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY - TRUSTEE

Fee payable	9.1 & 9.2	-	161
Sindh Sales Tax on remuneration of the Trustee	9.3	-	21
		-	182

- 9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tariff specified therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears.
- 9.2 As per the trust deed and offering document, the trustee remuneration shall consist of reimbursement of actual custodian expenses plus trustee tariff of 0.075% p.a. of net assets.
- 9.3 The Sindh Sales Tax is charged at the rate of 15% on the Trustee fee through the Sindh Sales Tax on Services Act, 2011.

2025 2024
Note -----Rupees in '000 -----

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable to SECP	10.1	-	102

- 10.1 As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a CIS shall pay SECP an annual fee of 0.075% of the average annual net assets. The fee is payable annually in arrears.

11 ACCRUED EXPENSES AND OTHER LIABILITIES

Withholding tax payable	58	10,946
Auditors' remuneration	309	435
Printing charges	108	87
Others	31	21
	506	11,489

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025.

-----Number of Units-----

13 NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the period	16,614,842	-
Add: Units issued	-	16,614,842
Less: Units redeemed	(16,614,842)	-
Total units in issue at the end of the year	-	16,614,842

		2025	2024
14	AUDITORS' REMUNERATION	Note	Rupees in '000
	Annual audit fee		425
	Out of pocket expenses		47
			<u>472</u>
15	TAXATION		<u>435</u>

The Fund's income is exempt from income tax as per clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current year, as the Management Company has distributed at least 90% of the Fund's accounting income as reduced by capital gains (whether realised or unrealised) to its unit holders.

16 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Bank balances	-	1,598	1,598
Investments			
GoP Ijara sukuk	-	-	-
Profit / mark-up receivable	-	-	-
CDC Security deposit	-	100	100
	<u>-</u>	<u>1,698</u>	<u>1,698</u>

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial liabilities			
Payable to the Hbl Asset Management Limited	-	1,041	1,041
Payable to the Central Depository Company	-	-	-
Shariah Fee Payable	-	-	-
Legal Fee Payable	-	150	150
Accrued expenses and other liabilities	-	506	506
	<u>-</u>	<u>1,698</u>	<u>1,698</u>

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial assets			
Bank balances	-	18,556	18,556
Investments			
GoP Ijara sukuk	-	1,663,081	1,663,081
Profit / mark-up receivable	-	288	288
	<u>-</u>	<u>1,681,925</u>	<u>1,681,925</u>

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
Rupees in '000			
Financial liabilities			
Payable to Hbl Asset Management Limited	-	979	979
Payable to the Trustee	-	161	161
Shariah fee payable	-	64	64
Accrued expenses and other liabilities	-	543	543
	-	1,747	1,747

18 TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / Connected persons include HBL Asset Management Limited, being the Management Company, Habib Bank Limited, being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, directors and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

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

	2025	2024
	-----Rupees in '000 -----	
18.1 Transactions during the period		
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	5,839	2,554
Sindh Sales Tax on remuneration of the Management company	876	332
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	728	234
Sindh Sales Tax on remuneration of the Trustee	109	30
Pakistan Mortgage Refinance Company Limited		
Credit Guarantee Trust Scheme for Low Income Housing MPMG		
Issueance of units Nil(2024:16,614,842)		1,661,483
Redemption of units 16,614,842(2024:Nil)	1,896,305	
18.2 Balance outstanding as at the year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	-	925
Sindh Sales Tax payable on Management Company's remuneration	-	120
Formation cost payable	1,041	54
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	-	161
Sindh Sales Tax payable on Trustee Remuneration	-	21

19 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in Government securities. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

19.1 Market risk

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

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 6% to 18.75% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2025, with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs. 0.016 million (2024: 0.1856 million)

b) Fair value interest rate risk

The Fund's investment portfolio currently includes GOP Ijara sukuk, which have fixed interest rates. This characteristic of Ijara sukuk ensures that the Fund's holdings are not influenced by changes in market interest rates. As a result, the Fund is not subject to fair value interest rate risk at this time.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

Particulars	As at June 30, 2025					Total
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	6.00 - 18.75		1,598	-	-	1,598
Investments						
GoP Ijara sukuk	20.18	-	-	-	-	-
Profit / mark-up receivable		-	-	-	-	-
CDC Security deposit					100	100
Sub total		-	1,598	-	100	1,698
Financial liabilities						
Payable to the Management Company		-	-	-	1,042	1,042
Payable to the Trustee		-	-	-	-	-
Shariah fee payable		-	-	-	-	-
Legal Fee payable		-	-	-	150	150
Accrued expenses and other liabilities		-	-	-	506	506
Sub total		-	-	-	1,698	1,698
On-balance sheet gap (a)		-	1,598	-	(1,598)	(0)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	1,598	-	(1,598)	(0)
Cumulative interest rate sensitivity gap		-	1,598	-		

Particulars	As at June 30, 2024					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	9.00 - 19.10	18,556	-	-	-	18,556
Investments						
GoP Ijara sukuk	20.18	-	-	-	1,663,081	1,663,081
Profit / mark-up receivable		-	-	-	288	288
Sub total		18,556	-	-	1,663,369	1,681,925
Financial liabilities						
Payable to the Management Company		-	-	-	979	979
Payable to the Trustee		-	-	-	161	161
Shariah fee payable		-	-	-	64	64
Accrued expenses and other liabilities		-	-	-	543	543
Sub total		-	-	-	1,747	1,747
On-balance sheet gap (a)		18,556	-	-	1,661,622	1,680,178
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		18,556	-	-	1,661,622	1,680,178
Cumulative interest rate sensitivity gap		18,556	-	-		

19.1.3 Other price risk

Price risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Fund does not hold any security which exposes the Fund to price risk.

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in bank balances. Bank balances are maintained with balance with a reasonably high credit rating.

19.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2025.

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
Rupees in '000			
Balances with banks by rating category			
United Bank Limited	1,598	A-1+	VIS
	1,598		

19.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	2025
Rating by rating category	-- (Percentage) --
A-1+	100.00
Concentration of credit risk	

Concentration of credit risk exists when changes in economic or industry factors similarly affect counterparties or groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances. There is no concentration of credit risk as at reporting date.

19.3 Liquidity risk

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

The Fund is exposed to cash redemptions subject to contingent load due to early redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow. The borrowing, however, shall not be resorted to, except for meeting redemption requests. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current period, no borrowings were made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current period.

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

Particulars	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to the HBL Asset Management Limited		1,042	-	1,042
Payable to the Central Depository Company		-	-	-
Shariah fee payable		-	-	-
Legal Fee Payable		150		
Accrued expenses and other liabilities		506	-	506
	-	1,698	-	1,548

Particulars	As at June 30, 2024			
	Upto three months	More than three months and upto one year	More than one year	Total
Rupees in '000				
Financial liabilities				
Payable to the Management Company	979	-	-	979
Payable to the Trustee	161	-	-	161
Particulars	64	-	-	64
Accrued expenses and other liabilities	543	-	-	543
	1,747	-	-	1,747

20 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly as the Fund is subject to early redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents (offering document) of the Fund. This includes the Fund's ability to restrict redemptions; and
- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), 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).

21.1 Transfers during the year

During the year, no transfers were made between various levels of fair value hierarchy.

22 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

There were no brokers during the period ended June 30, 2025.

23 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

S. no.	Name	Designation	Qualifications	Experience in years
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2.	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29+
3.	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
4.	Amin Mohammad	Head of Risk	MBA	32+
5.	Hammad Ali Abbas	Senior Fund Manager	MSC	8+
6.	Wasim Akram	Senior Fund Manager	MBA	21+

24 PATTERN OF UNITHOLDING

Category	----- As at June 30, 2025 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Trust	-	-	-	0.00%
	-	-	-	0.00%

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Trust	1	16,614,842	1,668,989	100.00%
	1	16,614,842	1,668,989	100.00%

25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2024 ,September 26,2024, October 24, 2024, , January 25,2025 ,February 18, 2025 , April 27, 2025,May 26,2025,May 27,2025 and June 04,2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	9	-	-
3	Mr. Rayomond H. Kotwal	9	6	3	August 28,2024, May 27,2025 & June 04,2025
4	Mr. Abrar Ahmed Mir	9	8	1	August 28,2024
5	Mr. Tariq Masaud	9	8	1	October 24,2024
6	Mr. Abid Sattar	6	6	-	-
7	Mr. Khalid Malik	9	9	-	-
8	Mr. Habib Yousuf Habib	3	2	1	May 27,2025
9	Ms. Sheeza Ahmed	3	3	-	-

26 TOTAL EXPENSE RATIO

In accordance with the directive 23 of 2016 dated July 20, 2016 issued by the Securities and Exchange Commission of Pakistan, the total expense ratio of the Fund for the period ended June 30, 2025 is 0.79% (2024: 1%)which includes 0.15% (2024: 0.16%) representing Government levy and SECP fee.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

28 GENERAL

28.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



HBL Islamic Savings Fund

FUND INFORMATION

NAME OF FUND	HBL ISLAMIC SAVINGS FUND
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF AUDITORS	Yousuf Adil, Chartered Accountants
NAME OF SHARIAH ADVISORS	Al - Hilal Shariah Advisors (Pvt.) Limited
NAME OF BANKERS	Faysal Bank Limited Habib Bank Limited United Bank Limited

Type and Category of Fund

Open end Islamic Money Market Fund

Investment Objective and Accomplishment of Objective

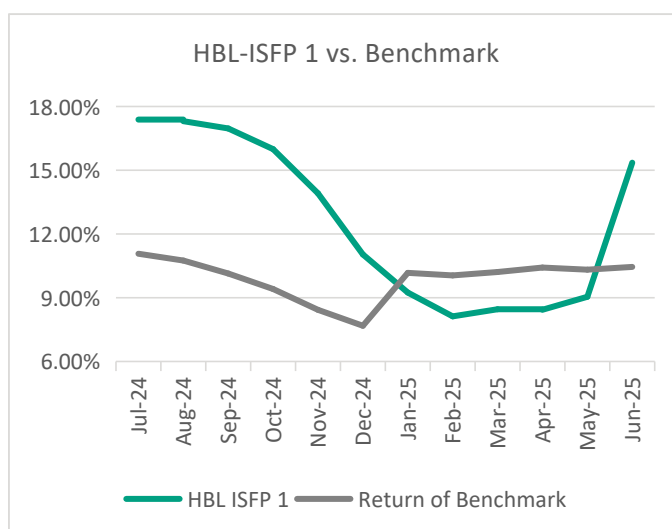
The objective of HBL Islamic Savings Fund Plan-I is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investing in low risk shariah compliant securities. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is average 90% three (3) months PKISRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.

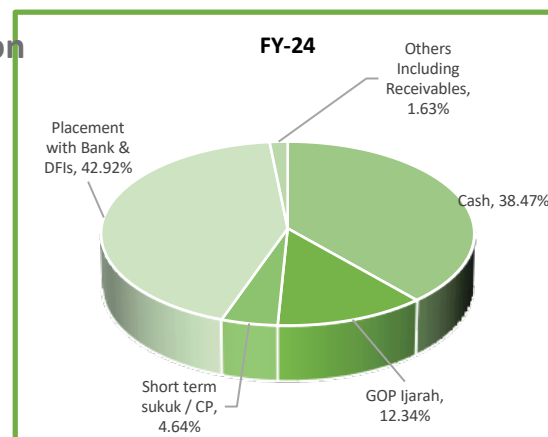
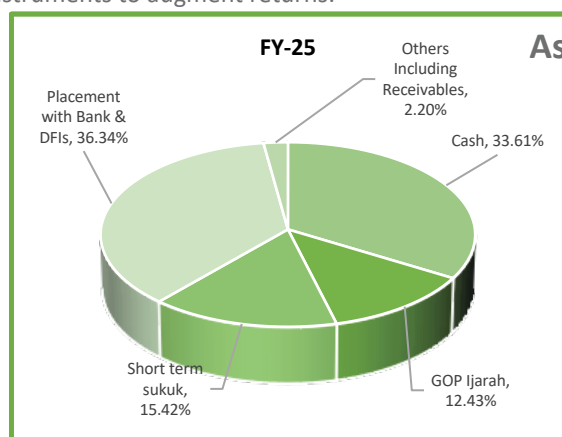
The comparison of the fund return with benchmark is given below:

Month	Return of Fund	
	HBL -IFTF	Benchmark
Jun-25	NA	NA
May-25	NA	NA
Apr-25	NA	NA
Mar-25	NA	NA
Feb-25	16.53%	20.74%
Jan-25	16.76%	20.74%
Dec-24	17.03%	11.47%
Nov-24	17.28%	18.59%
Oct-24	17.54%	11.35%
Sep-24	17.77%	17.55%
Aug-24	18.03%	17.93%
Jul-24	18.48%	



Strategies and Policies employed during the Period

During the year, funds were majorly placed with Islamic Banks/DFIs which comprised 36.34% of total assets. GoP Ijarah Sukuks comprised 12.43% and short term Sukuks/CPs 15.42% of total assets. Daily Product Accounts were 33.61% of total assets and augmented returns due to attractive rates. HBL Islamic Saving Fund Plan - 1 posted an annualized average return of 13.38% compared to the benchmark return of 10.25%. Further investment options will be explored to place funds in shorter duration instruments to augment returns.



Fund Performance

The total and net income of the Fund was Rs. 904.49 million and Rs. 772.00 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) of the Fund was Rs. 100.6142 per unit as on June 30, 2025 (after incorporating dividend of Rs. 12.90 per unit) as compared to Rs. 100.1648 as on June 30, 2024, thereby giving a return of 13.38% during the year, against the benchmark return of 10.25%. The size of Fund was Rs. 5.36 billion as on June 30, 2025 as compared to Rs. 5.25 billion as at start of the year.

Money Market Review

During FY25, the SBP shifted to an aggressive monetary easing stance, cutting the policy rate from 20.5% at the start of the year to 11% by June 2025, as inflation declined sharply into low single digits.

The year witnessed a sharp reversal in the interest rate cycle, with money market yields declining substantially across the curve as expectations of monetary easing strengthened. After touching the highs of 23.78%, 24.51%, 24.73%, 21.16% and 17.93% in the previous year, secondary market yields have sharply retreated to 11.01%, 10.89%, 10.85%, 11.15% and 11.40% for 3M, 6M, 12M, 3Y and 5Y tenors respectively by the end of FY25.

It is also pertinent to highlight that in the Sukuk market, the government raised PKR 43.6B from Fixed Rental Rate (FRR) Sukuk against the target of PKR 75B in the June 25th auction. Yields stood at 10.86% for the 3-year Sukuk and 11.39% for the 5-year Sukuk. In the Variable Rental Rate (VRR) Sukuk auction, the government successfully raised PKR 159.9B exceeding the target of 50B. In the last fixed-rate discounted Ijara Sukuk of FY25, the government raised PKR 47.8B against the target of PKR 75B at 10.45%.

With inflation expected to remain anchored in single digits and growth still below potential, the possibility of further monetary easing in FY26 remains high.

Distribution

The Fund has distributed cash dividend up-to Rs. 12.90 per unit for the year ended June 30, 2025.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the period under review.

Breakdown of Unit Holding by Size

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL ISLAMIC SAVINGS FUND

	2025	2024
Net assets at the period end(Rs'000)	5,362,953	5,248,619
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES		
Redemption	100.6142	100.1648
Offer	104.0854	103.5604
OFFER / REDEMPTION DURING THE PERIOD - RUPEES		
✓ Highest offer price per unit	116.8596	105.7681
✓ Lowest offer price per unit	104.1038	100.0000
Highest redemption price per unit	112.9624	109.3536
Lowest redemption price per unit	100.2018	100.0000
RETURN (%)		
✓ Total return	13.38%	19.83%
✓ Income distribution	12.88%	19.79%
Capital growth	0.50%	0.04%
DISTRIBUTION		
Final dividend distribution- Rs	12.9	5.75
Date of Income Distribution	2025-06-23	2024-06-28
Total dividend distribution for the year/ period	12.9	5.75
AVERAGE RETURNS (%)		
Average annual return 1 year	13.38%	19.83%
Average annual return 2 year	-	-
Average annual return 3 year	-	-
PORTFOLIO COMPOSITION - (%)		
Percentage of Total Assets as at 30 June:		
Bank Balances	33.61%	38.47%
GoP Ijarah Sukuks	12.43%	12.34%
Placement with Banks and DFIs	36.34%	42.92%
Corporate Sukuks	15.42%	4.64%
Stock / Equities	0.00%	0.00%
Others	2.20%	1.6300%

Note:

✓ The Launch date of the Fund is March 14, 2024

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

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Karachi - 74400, Pakistan
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Fax: (92-21) 34326021 - 23
URL: www.cdcPakistan.com
Email: info@cdcpak.com



TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC SAVINGS FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Savings Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2025 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2025





ASSET MANAGEMENT LTD.
ایسٹ مینجمنٹ لمیٹڈ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Savings Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2025. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 28, 2025

HBL Asset Management Limited
Head Office
7th Floor
Emerald Tower
G-19 Block-5,
Main Clifton Road,
Clifton, Karachi

UAN (021) 111-425-262
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www.hblasasset.com

September 23, 2025



الحمد لله رب العالمين، والصلاة والسلام على سيد الأنبياء والمرسلين، وعلى آله وصحبه أجمعين، وبعد

The purpose of this report is to provide an opinion on the Shariah Compliance of the Fund's investment and operational activities with respect to Shariah guidelines provided.

It is the core responsibility of the Management Company to operate the Fund and invest the amount of money in such a manner which is in compliance with the Shariah principles as laid out in the Shariah guidelines. In the capacity of the Shariah Advisor, our responsibility lies in providing Shariah guidelines and ensuring compliance with the same by review of activities of the fund. We express our opinion based on the review of the information, provided by the management company, to an extent where compliance with the Shariah guidelines can be objectively verified.

Our review of Fund's activities is limited to enquiries of the personnel of Management Company and various documents prepared and provided by the management company.

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2025 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Saving Fund plan 1** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

May Allah (SWT) bless us and forgive our mistakes and accept our sincere efforts in accomplishment of cherished tasks and keep us away from sinful acts.

والله أعلم بالصواب، وصلى الله على نبينا محمد وعلى آله وصحبه وبارك وسلم

For and on behalf of Al-Hilal Shariah Advisors (Pvt.) Limited.



Mufti Irshad Ahmad Aijaz
Member Shariah Council




Faraz Younus Bandukda, CFA
Chief Executive

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Islamic Savings Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Islamic Savings Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2025, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2025, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management Company and Board of Directors of the Management Company for the Financial Statements

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

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

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

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


Chartered Accountants
Place: Karachi
Date: September 29, 2025
UDIN: AR202510057k8xh1mWKj

HBL Islamic Savings Fund
STATEMENT OF ASSET AND LIABILITIES
As At June 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
ASSETS			
Bank balances	4	2,763,480	2,048,109
Investments	5	5,325,357	3,164,853
Profit receivable	6	106,431	70,185
TOTAL ASSETS		8,195,268	5,283,147
LIABILITIES			
Payable to the Management Company	7	21,829	9,776
Payable to the Trustee	8	679	280
Payable to Securities and Exchange Commission of Pakistan	9	804	338
Dividend payable		9,732	40
Payable against redemption of units		2,725,768	-
Accrued expenses and other liabilities	10	73,503	24,094
TOTAL LIABILITIES		2,832,315	34,528
NET ASSETS		5,362,953	5,248,619
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		5,362,953	5,248,619
CONTINGENCIES AND COMMITMENTS			
	11	-----Number of units-----	
NUMBER OF UNITS IN ISSUE	12	53,302,157	52,399,844
		-----Rupees-----	
NET ASSETS VALUE PER UNIT	3.8	100.6142	100.1648

The annexed notes 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Savings Fund
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

		June 30, 2025	For the period from March 17, 2024 to June 30, 2024
	Note	----- (Rupees in '000) -----	
INCOME			
Income from government securities		223,618	22,550
Income from corporate sukuk bonds		143,948	14,188
Profit on bank deposit		223,195	108,811
Markup income on musharakah		115,159	75,972
Markup income on bai-muajjal		200,094	31,289
Capital loss on sale of investments - net		(4,391)	(120)
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	5.4	2,874	4,292
		904,497	256,982
EXPENSES			
Remuneration of the Management Company	7.1	104,950	15,542
Sindh Sales Tax on remuneration of the Management Company	7.2	15,743	2,020
Allocated expenses	7.3	-	59
Selling and marketing expenses	7.4	1,090	1,245
Remuneration of the Trustee	8.1	3,682	666
Sindh Sales Tax on remuneration of the Trustee	8.2	552	87
Securities and Exchange Commission of Pakistan fee	9.1	5,013	908
Securities transaction costs and settlement charges		20	297
Printing charges		160	177
Fees and Subscription		150	-
Auditors' remuneration	13	457	416
Shariah advisors fee		284	83
Bank charges		201	163
Formation cost		200	59
		132,502	21,722
Net income for the year / period before taxation		771,995	235,260
Taxation	14	-	-
Net income for the year / period after taxation		771,995	235,260
Allocation of net income for the year			
Net income for the year / period after taxation		771,995	235,260
Income already paid on redemption of units		(668,287)	(197,310)
		103,708	37,950
Accounting income available for distribution:			
Relating to capital gains		-	831
Excluding capital gains		103,708	37,119
		103,708	37,950
Earnings per unit	3.11		

The annexed notes 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

	June 30, 2025	For the period from March 17, 2024 to June 30, 2024
	----- (Rupees in '000) -----	
Net income for the year / period after taxation	771,995	235,260
Other comprehensive income	-	-
Total comprehensive income for the year / period	771,995	235,260

The annexed notes 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

 Chief Financial Officer

 Chief Executive Officer

 Director

HBL Islamic Savings Fund

STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025			For the period from March 17, 2024 to June 30, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the period	5,241,653	6,966	5,248,619	-	-	-
Issuance of units 568,847,491 units (2024: 123,274,678 units)						
Capital value (at net asset value per unit at the beginning of the period)	56,978,495	-	56,978,495	12,327,468	-	12,327,468
Element of income	6,214,540	-	6,214,540	404,794	-	404,794
Total proceeds on issue of units	63,193,035	-	63,193,035	12,732,262	-	12,732,262
Redemption of units 567,945,178 units (2024: 70,874,834 units)						
Capital value (at net asset value per unit at the beginning of the period)	(56,888,115)	-	(56,888,115)	(7,087,483)	-	(7,087,483)
Income already paid on redemption of units	-	(668,287)	(668,287)	-	(197,310)	(197,310)
Element of loss	(5,767,223)	-	(5,767,223)	(148,930)	-	(148,930)
Total payments on redemption of units	(62,655,338)	(668,287)	(63,323,625)	(7,236,413)	(197,310)	(7,433,723)
Total comprehensive income for the period	-	771,995	771,995	-	235,260	235,260
Rs. 12.90 per unit declared on June 23, 2025 as cash dividend (2024: Rs. 5.75 per unit)	-	-	-	-	-	-
Distribution during the year / period	-	(55,855)	(55,855)	-	(30,984)	(30,984)
Refund of capital	(471,216)	-	(471,216)	(254,196)	-	(254,196)
	(471,216)	716,140	244,924	(254,196)	204,276	(49,920)
Net assets at end of the period	5,308,134	54,819	5,362,953	5,241,653	6,966	5,248,619
Undistributed income brought forward						
Realised income	2,674			-		
Unrealised income	4,292			-		
	6,966			-		
Accounting income available for distribution:						
Relating to capital gains	-			831		
Excluding capital gains	103,708			37,119		
	103,708			37,950		
Distribution during the period	(55,855)			(30,984)		
Undistributed income carried forward:	54,819			6,966		
Undistributed income carried forward						
Realised	51,945			2,674		
Unrealised	2,874			4,292		
	54,819			6,966		
	Rupees			Rupees		
Net assets value per unit at beginning of the year / period	100.1648			-		
Net assets value per unit at end of the year / period	100.6142			100.1648		

The annexed notes 1 to 26 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Islamic Savings Fund
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2025

	June 30, 2025	For the period from March 17, 2024 to June 30, 2024
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation	771,995	235,260
Adjustments for non cash and other items:		
Income from government securities	(223,618)	(22,550)
Income from corporate sukuk bonds	(143,948)	(14,188)
Profit on bank deposit	(223,195)	(108,811)
Markup income on musharakah	(115,159)	(75,972)
Markup income on bai-muajjal	(200,094)	(31,289)
Capital loss on sale of investments - net	4,391	120
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	(2,874)	(4,292)
	(132,502)	(21,722)
Increase in assets		
Investments - net	(1,938,403)	(3,138,131)
Increase in liabilities		
Payable to the Management Company	12,053	9,776
Payable to the Trustee	399	280
Payable to the Securities and Exchange Commission of Pakistan	466	338
Payable against redemption of units	2,725,768	-
Accrued expenses and other liabilities	49,409	24,094
	2,788,095	34,488
Cash generated from / (used in) operations	717,190	(3,125,365)
Markup income received on musharakah	123,808	67,323
Markup income received on bai-muajjal	185,725	11,920
Income received from investment in corporate sukuk	133,918	-
Profit received on bank deposits	202,699	80,832
	646,150	160,075
Net cash generated from / (used in) operating activities	1,363,340	(2,965,290)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	63,193,035	12,478,066
Payment against redemption of units	(63,323,625)	(7,433,723)
Dividend paid	(517,379)	(30,944)
Net cash (used in) / generated from financing activities	(647,969)	5,013,399
Net increase in cash and cash equivalents	715,371	2,048,109
Cash and cash equivalents at beginning of the year / period	2,048,109	-
Cash and cash equivalents at end of the year / period	2,763,480	2,048,109

The annexed notes 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Savings Fund Plan 1 ("the Fund") was established under a Trust Deed, dated September 09, 2023 under Sindh Trust Act, 2020 (the Sindh Trust Act) executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan authorised the Fund as a unit trust and has registered the Fund as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 Regulations") vide letter No. SCD/AMCW/HBLISF/2023/137/NF-FE-140 dated 27th September, 2023.
- 1.2** Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund is an open-ended mutual fund. The Fund has been categorised as a Shariah Compliant Money Market Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS). The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Management Company may introduce maximum of Five Allocation Plans, one perpetual and four fixed term.
- 1.4** The objective of the Fund is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investing in low risk Shariah compliant securities.
- 1.5** Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.
- 1.6** VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company as dated December 31, 2024.

2. BASIS OF PREPARATION**2.1 STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- The NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and the requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

The prior period amounts of the income statement, statement of comprehensive income, statement of movement in unit holder's fund and the statement of cash flows are not comparable as the comparative figures represent the results of period from March 17, 2024 to June 30, 2024 whilst the figures for the current period represent the results of complete financial year of the Fund.

2.2 New amendments that are effective for the period ended June 30, 2025

The following amendments are effective for the year ended June 30, 2025. These amendments are either not relevant to the Funds operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

2.3 Standard and amendments to IFRS that are not yet effective

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

	Effective from accounting period beginning on or after
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 7 - Financial Instruments: Disclosures	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 – Presentation and Disclosures in Financial Statements
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.3)
- Taxation (notes 3.4 and 14)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 11)

The revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.5 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency.

2.6 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied in these financial statements.

3.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

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

3.1.1 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.

3.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

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

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

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

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

Debt instruments that do not meet the amortised cost criteria or the fair value through other comprehensive income criteria are classified as at fair value through profit or loss. In addition, debt instruments that meet either the amortised cost criteria or the fair value through other comprehensive income criteria may be designated as at fair value through profit or loss 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 Fund has opted to recognise its debt investments fair value through profit or loss (FVTPL).

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at revaluation rates disseminated by Pakistan Stock Exchange (PSX).

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds Association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limit is +50 bps.

3.1.1.3 Impairment of financial assets

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.

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 until further instruction.

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.

3.1.1.4 Derecognition

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

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

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate 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 the Fund has opted to measure them at fair value through profit or loss.

3.1.2.2 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.

3.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

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

3.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

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.

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

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

3.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the unit holders during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

3.7 Element of income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

3.8 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 net assets of the Fund by the number of units in issue at the period end.

3.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in musharakah and bai-muajjal sukuks, and shariah compliant government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.10 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee fee and the SECP fee are recognised in the income statement on an accrual basis.

3.11 Earnings per unit

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

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
4. BANK BALANCES			
Savings account	4.1	2,763,480	2,048,109
4.1	These carry profits at the rates ranging between 9.00% to 11.50% per annum (2024: 19.10% to 19.90%) and include, Rs. 2,670.75 million (2024: 1,620.83 million) maintained with Habib Bank Limited (related party) which carries profit at the rate of 11.50% per annum (2024: 19.90%).		

June 30,
2025
June 30,
2024
Note ----- (Rupees in '000) -----

5. INVESTMENTS

Financial asset at fair value through profit or loss

Government of Pakistan (GOP) Ijara Sukuk	5.1	1,031,659	652,133
Corporate sukuk bonds	5.2	1,279,000	245,000
Bai Muajjal	5.3	3,014,698	642,825
Musharakah Certificates	5.4	-	1,624,895
		5,325,357	3,164,853

5.1 Government of Pakistan Ijarah Sukuks

Name of security	Issue date	Face Value				As at June 30, 2025			Market value as a percentage of Net Asset	Market value as a percentage of Total investments
		As at July 01, 2024	Purchases made during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
----- (Rupees in '000) ----- % -----										

Listed Ijara Sukuk

GOP Ijarah -1 Year - (Fixed)*	April 26, 2024	750,000	-	750,000	-	-	-	-	-	-
GOP Ijarah -1 Year - (Fixed)*	July 26, 2024	-	500,000	-	500,000	494,793	496,950	2,157	9.27	9.33
GOP Ijarah -1 Year - (Fixed)*	October 21, 2024	-	125,000	-	125,000	121,002	121,425	423	2.26	2.28
GOP Ijarah -1 Year - (Fixed)*	December 04, 2024	-	150,000	-	150,000	143,686	143,715	29	2.68	2.70
GOP Ijarah -1 Year - (Fixed)*	January 09, 2025	-	187,000	-	187,000	177,763	177,949	186	3.32	3.34
GOP Ijarah -1 Year - (Fixed)*	May 30, 2025	-	100,000	-	100,000	91,541	91,620	79	1.71	1.72
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	400,000	400,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	500,000	500,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	600,000	600,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	600,000	600,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	100,000	100,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	350,000	350,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	600,000	600,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	235,000	235,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	200,000	200,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	275,000	275,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	220,000	220,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	250,000	250,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	100,000	100,000	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	May 29, 2020	-	500,000	500,000	-	-	-	-	-	-
As at June 30, 2025						1,028,785	1,031,659	2,874		
As at June 30, 2024						647,841	652,133	4,292		

*These GOP Ijara carry effective yield at the rate ranging from of 7.6% to 12.72% per annum (2024: 19.99%).

5.2 Corporate sukuk bonds

Investee company	Issue date	Maturity Date	Profit rate	Face value			At June 30, 2025				Market value as a percentage of net assets	Market value as a percentage of total investments	
				As at July 1, 2024	Purchases made during the year	Sales / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)			
------(Rupees '000')-----												-----%	
K-Electric Limited	August 05, 2024	February 04, 2025	6 Months Kibor + 0.1%	-	247,000	247,000	-	-	-	-	-	-	
K-Electric Limited	September 23, 2024	March 24, 2025	3 Months Kibor + 0.1%	-	43,000	43,000	-	-	-	-	-	-	
Lucky Electric Power Company Limited	March 26, 2024	September 26, 2024	3 Months Kibor + 0.25%	245	-	245	-	-	-	-	-	-	
Pakistan Telecommunication Company Limited	September 18, 2024	March 18, 2025	3 Months Kibor + 0.1%	-	550,000	550,000	-	-	-	-	-	-	
Select Technologies (Private) Limited	December 13, 2024	June 13, 2025	6 Months Kibor + 1.75%	-	425,000	425,000	-	-	-	-	-	-	
Pakistan Telecommunication Company Limited	December 18, 2024	March 18, 2025	3 Months Kibor + 0.10%	-	550,000	550,000	-	-	-	-	-	-	
K-Electric Limited	December 23, 2024	March 24, 2025	3 Months Kibor + 0.15%	-	43,000	43,000	-	-	-	-	-	-	
Lucky Electric Power Company Limited	February 14, 2025	May 17, 2025	3 Months Kibor + 0.50%	-	260,000	260,000	-	-	-	-	-	-	
Pakistan Telecommunication Company Limited	March 19, 2025	September 19, 2025	3 Months Kibor + 0.10%	-	374,000	-	374,000	374,000	374,000	-	6.97	7.02	
Pakistan Mobile Communications Limited	April 28, 2025	October 28, 2025	3 Months Kibor + 0.15%	-	265,000	-	265,000	265,000	265,000	-	4.94	4.98	
Engro Fertilizer Limited	May 14, 2025	November 14, 2025	3 Months Kibor - 0.15%	-	55,000	-	55,000	55,000	55,000	-	1.03	1.03	
Lucky Electric Power Company Limited	May 17, 2025	August 15, 2025	3 Months Kibor + 0.50%	-	260,000	-	260,000	260,000	260,000	-	4.85	4.88	
Engro Fertilizer Limited	May 22, 2025	May 23, 2025	3 Months Kibor + 0.15%	-	635,000	635,000	-	-	-	-	-	-	
Select Technologies (Private) Limited	June 16, 2025	December 16, 2025	6 Months Kibor + 1.75%	-	325,000	-	325,000	325,000	325,000	-	6.06	6.10	
As at June 30, 2025								1,279,000	1,279,000	-			
As at June 30, 2024								245,000	245,000	-			

*These carrying effective yield ranging between 10.91% to 12.75% per annum (2024: 21.85%).

5.3 Bai-Muajjal

Investee company	Issue date	Maturity Date	Profit rate	Face value			At June 30, 2025				Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 1, 2024	Placements made during the year	Sales / matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
			-----%								-----%	
					(Rupees '000)							
Pak Oman Investment Company Limited	May 10, 2024	July 12, 2024	21.15	600,000	-	600,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	August 9, 2024	September 13, 2024	18.50	-	693,000	693,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	August 12, 2024	September 20, 2024	18.50	-	730,003	730,003	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 20, 2024	November 8, 2024	16.60	-	593,540	593,540	-	-	-	-	-	-
Askari Bank Limited	October 14, 2024	November 15, 2024	16.00	-	695,000	695,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 12, 2024	February 7, 2025	13.25	-	680,000	680,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 19, 2024	February 18, 2025	13.45	-	775,000	775,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 25, 2024	February 24, 2025	13.30	-	500,050	500,050	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Invest	February 14, 2025	April 14, 2025	11.65	-	915,191	915,191	-	-	-	-	-	-
Askari Bank Limited	February 25, 2025	May 26, 2025	11.60	-	804,000	804,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	May 20, 2025	August 21, 2025	10.85	-	950,000	-	950,000	1,011,391	1,011,391	-	18.86	18.99
Pak Oman Investment Company Limited	May 26, 2025	August 22, 2025	10.85	-	975,000	-	975,000	1,007,510	1,007,510	-	18.79	18.92
Askari Bank Limited	May 27, 2025	July 28, 2025	10.83	-	975,000	-	975,000	995,797	995,797	-	18.57	18.70
As at June 30, 2025								3,014,698	3,014,698	-		
As at June 30, 2024								642,825	642,825	-		

5.4 Musharakah Certificates

Name of the Investee company	Profit Rate	Issue date	Maturity Date	Face value			As at June 30, 2025				Market value as a percentage of Net Asset	Market value as a percentage of Total Investments
				As at July 01, 2024	Purchased during the year	Matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
					(Rupees in '000)							
											-----%	
United Bank Limited	19.70	June 14, 2024	July 15, 2024	472,491	-	472,491	-	-	-	-	-	-
Meezan Bank Limited	19.80	June 24, 2024	July 05, 2024	850,000	-	850,000	-	-	-	-	-	-
Meezan Bank Limited	19.70	June 26, 2024	August 01, 2024	302,404	-	302,404	-	-	-	-	-	-
Faysal Bank Limited	19.60	July 02, 2024	July 12, 2024	-	500,000	500,000	-	-	-	-	-	-
Meezan Bank Limited	19.10	July 05, 2024	July 11, 2024	-	750,000	750,000	-	-	-	-	-	-
Meezan Bank Limited	17.75	July 12, 2024	July 18, 2024	-	750,000	750,000	-	-	-	-	-	-
United Bank Limited	19.50	July 15, 2024	July 26, 2024	-	480,396	480,396	-	-	-	-	-	-
United Bank Limited	19.50	July 26, 2024	August 02, 2024	-	483,220	483,220	-	-	-	-	-	-
United Bank Limited	18.50	August 01, 2024	September 13, 2024	-	308,280	308,280	-	-	-	-	-	-
Faysal Bank Limited	17.50	August 01, 2024	August 05, 2024	-	850,000	850,000	-	-	-	-	-	-
Faysal Bank Limited	18.50	August 02, 2024	August 29, 2024	-	485,027	485,027	-	-	-	-	-	-
Faysal Bank Limited	14.75	August 05, 2024	August 07, 2024	-	800,000	800,000	-	-	-	-	-	-
United Bank Limited	17.35	September 02, 2024	September 13, 2024	-	700,000	700,000	-	-	-	-	-	-
Faysal Bank Limited	17.75	September 05, 2024	September 06, 2024	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	18.50	September 06, 2024	September 13, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	17.75	September 09, 2024	September 10, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	17.75	September 10, 2024	September 11, 2024	-	300,146	300,146	-	-	-	-	-	-
Faysal Bank Limited	17.75	September 11, 2024	September 12, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	17.75	September 12, 2024	September 13, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	16.25	September 16, 2024	September 27, 2024	-	800,000	800,000	-	-	-	-	-	-
Faysal Bank Limited	16.50	September 18, 2024	November 06, 2024	-	782,609	782,609	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	16.00	October 01, 2024	October 11, 2024	-	700,000	700,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	15.60	October 02, 2024	October 07, 2024	-	500,000	500,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	15.60	October 07, 2024	October 09, 2024	-	500,000	500,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	15.00	October 09, 2024	October 11, 2024	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	15.70	October 24, 2024	October 25, 2024	-	500,000	500,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	12.25	November 06, 2024	November 07, 2024	-	760,000	760,000	-	-	-	-	-	-
United Bank Limited	11.50	November 07, 2024	November 08, 2024	-	500,000	500,000	-	-	-	-	-	-
United Bank Limited	13.00	November 08, 2024	November 18, 2024	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	13.00	November 12, 2024	November 15, 2024	-	400,000	400,000	-	-	-	-	-	-
Faysal Bank Limited	13.50	November 15, 2024	November 21, 2024	-	600,000	600,000	-	-	-	-	-	-
Meezan Bank Limited	13.00	November 18, 2024	November 19, 2024	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	13.00	November 19, 2024	November 20, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	13.10	November 20, 2024	November 21, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	13.10	November 21, 2024	December 02, 2024	-	900,000	900,000	-	-	-	-	-	-
Meezan Bank Limited	13.10	November 21, 2024	November 22, 2024	-	900,000	900,000	-	-	-	-	-	-
Meezan Bank Limited	13.35	November 21, 2024	November 29, 2024	-	500,000	500,000	-	-	-	-	-	-
Meezan Bank Limited	13.30	December 02, 2024	December 03, 2024	-	300,000	300,000	-	-	-	-	-	-
Meezan Bank Limited	13.50	December 02, 2024	December 12, 2024	-	500,000	500,000	-	-	-	-	-	-
Meezan Bank Limited	13.50	December 03, 2024	December 04, 2024	-	400,000	400,000	-	-	-	-	-	-
Faysal Bank Limited	13.40	December 04, 2024	December 05, 2024	-	700,000	700,000	-	-	-	-	-	-
Faysal Bank Limited	13.50	December 05, 2024	December 06, 2024	-	400,000	400,000	-	-	-	-	-	-
Faysal Bank Limited	13.30	December 06, 2024	December 09, 2024	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	12.25	December 10, 2024	December 11, 2024	-	450,000	450,000	-	-	-	-	-	-
Faysal Bank Limited	12.50	December 11, 2024	December 12, 2024	-	300,000	300,000	-	-	-	-	-	-
Faysal Bank Limited	11.70	December 12, 2024	December 17, 2024	-	500,000	500,000	-	-	-	-	-	-
United Bank Limited	11.25	December 17, 2024	December 18, 2024	-	150,000	150,000	-	-	-	-	-	-
United Bank Limited	10.90	December 18, 2024	December 19, 2024	-	700,000	700,000	-	-	-	-	-	-
United Bank Limited	11.30	December 20, 2024	December 23, 2025	-	700,000	700,000	-	-	-	-	-	-
United Bank Limited	11.20	December 23, 2024	December 24, 2025	-	600,000	600,000	-	-	-	-	-	-
United Bank Limited	11.25	December 24, 2024	December 26, 2025	-	700,000	700,000	-	-	-	-	-	-
United Bank Limited	11.25	December 24, 2024	December 26, 2025	-	150,000	150,000	-	-	-	-	-	-
United Bank Limited	11.25	December 26, 2024	December 27, 2024	-	900,000	900,000	-	-	-	-	-	-
United Bank Limited	11.35	December 27, 2024	January 03, 2025	-	500,000	500,000	-	-	-	-	-	-
United Bank Limited	11.10	December 27, 2024	December 30, 2024	-	600,000	600,000	-	-	-	-	-	-
United Bank Limited	11.00	December 30, 2024	December 31, 2024	-	700,000	700,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	December 31, 2024	January 02, 2025	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	January 02, 2025	January 06, 2025	-	700,000	700,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	January 06, 2025	January 07, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	January 07, 2025	January 08, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	January 08, 2025	January 09, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-

Name of the Investee company	Profit Rate	Issue date	Maturity Date	Face value				As at June 30, 2025			Market value as a percentage of Net Asset	Market value as a percentage of Total Investments
				As at July 01, 2024	Purchased during the year	Matured during the year	As at June 30, 2025	Carrying value	Market value	Unrealised gain / (loss)		
(Rupees in '000)												(%)
Faysal Bank Limited	11.10	January 09, 2025	January 10, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Faysal Bank Limited	11.40	January 10, 2025	January 13, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	January 13, 2025	January 14, 2025	-	500,000	500,000	-	-	-	-	-	-
Faysal Bank Limited	11.40	January 14, 2025	January 15, 2025	-	400,000	400,000	-	-	-	-	-	-
Meezan Bank Limited	11.95	January 27, 2025	January 28, 2025	-	900,000	900,000	-	-	-	-	-	-
Meezan Bank Limited	11.35	February 07, 2025	February 10, 2025	-	1,500,000	1,500,000	-	-	-	-	-	-
Meezan Bank Limited	11.10	February 10, 2025	February 11, 2025	-	950,000	950,000	-	-	-	-	-	-
Meezan Bank Limited	11.30	February 11, 2025	February 12, 2025	-	950,000	950,000	-	-	-	-	-	-
Meezan Bank Limited	11.20	February 12, 2025	February 13, 2025	-	950,000	950,000	-	-	-	-	-	-
Meezan Bank Limited	11.25	February 13, 2025	February 14, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.25	February 17, 2025	February 18, 2025	-	450,000	450,000	-	-	-	-	-	-
Faysal Bank Limited	11.25	February 18, 2025	February 19, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.25	February 19, 2025	February 20, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	February 20, 2025	February 21, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	February 21, 2025	February 24, 2025	-	950,000	950,000	-	-	-	-	-	-
Meezan Bank Limited	11.25	February 24, 2025	February 25, 2025	-	950,000	950,000	-	-	-	-	-	-
Meezan Bank Limited	11.30	February 25, 2025	February 26, 2025	-	800,000	800,000	-	-	-	-	-	-
Meezan Bank Limited	11.25	February 26, 2025	February 27, 2025	-	950,000	950,000	-	-	-	-	-	-
Meezan Bank Limited	11.30	February 27, 2025	March 04, 2025	-	500,000	500,000	-	-	-	-	-	-
Meezan Bank Limited	11.25	February 27, 2025	February 28, 2025	-	450,000	450,000	-	-	-	-	-	-
Meezan Bank Limited	11.30	February 28, 2025	March 04, 2025	-	450,000	450,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	March 04, 2025	March 05, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	March 06, 2025	March 07, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	March 07, 2025	March 10, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.40	March 10, 2025	March 11, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.00	March 11, 2025	March 12, 2025	-	950,000	950,000	-	-	-	-	-	-
Faysal Bank Limited	11.25	March 13, 2025	March 14, 2025	-	900,000	900,000	-	-	-	-	-	-
Faysal Bank Limited	11.25	March 14, 2025	March 17, 2025	-	900,000	900,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	March 17, 2025	March 18, 2025	-	750,000	750,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	March 18, 2025	March 19, 2025	-	750,000	750,000	-	-	-	-	-	-
Faysal Bank Limited	11.30	March 18, 2025	March 19, 2025	-	200,000	200,000	-	-	-	-	-	-
Faysal Bank Limited	11.35	March 19, 2025	March 20, 2025	-	650,000	650,000	-	-	-	-	-	-
Meezan Bank Limited	11.45	April 14, 2025	April 15, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.35	April 15, 2025	April 16, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.45	April 17, 2025	April 18, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	April 18, 2025	April 21, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	April 21, 2025	April 22, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	April 22, 2025	April 23, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	April 23, 2025	April 24, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.50	April 24, 2025	April 25, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.35	April 25, 2025	April 28, 2025	-	960,000	960,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	April 28, 2025	April 29, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	April 29, 2025	April 30, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	11.30	April 30, 2025	May 02, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	11.35	May 02, 2025	May 05, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	11.40	May 05, 2025	May 09, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	11.25	May 05, 2025	May 06, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	10.30	May 05, 2025	May 06, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	10.40	May 07, 2025	May 08, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Meezan Bank Limited	10.50	May 08, 2025	May 15, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Engro Fertilizer Company Limited	10.60	May 16, 2025	May 26, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
As at June 30, 2025											-	-
As at June 30, 2024								1,624,895			1,624,895	-

June 30, 2025 June 30, 2024

Note (Rupees in '000)

5.4 Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net

Market value of investments	5.1, 5.2, 5.3 & 5.4	5,325,357	3,164,853
Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	5,322,483	3,160,561
		2,874	4,292

6. PROFIT RECEIVABLE

Profit receivable on:

Bank deposits	6.1	48,475	27,979
Corporate sukuk		24,218	14,188
Bai-muajjal		33,738	19,369
Musharakah		-	8,649
		106,431	70,185

6.1 These includes Rs. 43.238 million (2024: 7.929 million) receivable from Habib Bank Limited, which is a related party.

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
7. PAYABLE TO THE MANAGEMENT COMPANY			
Remuneration payable to the Management Company	7.1	17,159	6,760
Sindh Sales Tax payable on Management Company's remuneration	7.2	2,574	879
Sales load payable		1,828	774
Formation cost payable		268	59
Allocated expenses	7.3	-	-
Selling and marketing expense payable	7.4	-	1,304
		21,829	9,776

7.1 "The Management Company may charge variable fee or fixed fee or a combination of both which shall not exceed the limit disclosed in the offering document. The management fee expense charged by the Management Company during the period is 1.50% to 1.60% (2024: 0.4% to 1.50%) of the average annual net assets accordingly. The fee is payable monthly in arrears.

During the period effective from September 05, 2024, Management Company has revised management fee rate upto 4% with the specific approval of SECP. "

7.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% (2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

7.3 Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge allocated expenses to the Fund.

7.4 "Effective from April 10, 2025, the SECP, through SRO 600(I)/2025 dated April 10, 2025, amended the NBFC Regulations to disallow the Asset Management Companies to charge selling and marketing expenses to the Fund. "

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
8. PAYABLE TO THE TRUSTEE			
Trustee fee payable	8.1	590	248
Sindh Sales Tax payable on remuneration of the Trustee	8.2	89	32
		679	280

8.1 As per CDC vide notification CDC/CEO/L-259/01/2021, dated October 11, 2021, Trustee fee shall be charged at the rate of 0.055% (2024: 0.055%) of the average annual net assets of the Fund. During the period, Management Company has charged the Trustee fee accordingly.

8.2 Sindh Sales Tax at the rate of 15% (2024: 13%) is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
9. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN			
SECP fee payable	9.1	804	338

- 9.1 The Fund has charged SECP Fee at the rate of 0.075% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

10. ACCRUED EXPENSES AND OTHER LIABILITIES

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Withholding tax payable	72,639	23,084
Auditors' remuneration	444	416
Printing payable	173	170
Other payables	148	362
Shariah advisory fee payable	99	62
	<u>73,503</u>	<u>24,094</u>

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2025 and June 30, 2024.

12. NUMBER OF UNITS IN ISSUE

	June 30, 2025	For the period from March 17, 2024 to June 30, 2024
	----- (Number of Units) -----	
Total units in issue at the beginning of the period	52,399,844	-
Units issued during the period	568,847,491	123,274,678
Units redeemed during the period	(567,945,178)	(70,874,834)
Total units in issue at the end of the period	<u>53,302,157</u>	<u>52,399,844</u>

13. AUDITORS' REMUNERATION

	June 30, 2025	For the period from March 17, 2024 to June 30, 2024
	----- (Rupees in '000) -----	
Annual audit fee	305	300
Half yearly review	43	-
Other certification and services	40	50
Out of pocket expenses	35	35
	<u>423</u>	<u>385</u>
Sindh Sales Tax on services	34	31
	<u>457</u>	<u>416</u>

14. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income for the year, as reduced by the accumulated losses and capital gains whether realised or unrealised, is distributed to the unit holders in cash. The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company has distributed atleast 90% of the Fund's accounting income as reduced by accumulated losses and capital gains whether realised or unrealised for the period ended June 30, 2025 to its unit holders.

15. Total Expense Ratio

The total expense ratio (TER) of the Fund based on the current year results is 1.98% (June 30, 2024: 1.79%) which includes 0.32% (2024: 0.25%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio excluding Government levies is 2% under the NBFC Regulations for a Collective Investment Scheme categorised as an 'Money Market Fund'.

16. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include HBL Asset Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material profit, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

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

	June 30, 2025	For the period from March 17, 2024 to June 30, 2024 ----- (Rupees in '000) -----
16.1 Details of transactions with related parties / connected persons during the year / period:		
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	104,950	15,542
Sindh Sales Tax on remuneration of the Management Company	15,743	2,020
Allocated expenses	-	59
Selling and marketing expense	1,090	1,245
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	3,682	666
Sindh Sales Tax payable on the Trustee fee	552	87
Central Depository Service charges	15	98
Habib Bank Limited - Sponsors		
Bank charges	200	98
Profit on bank deposit earned	69,030	30,060
Directors and executives of the Management Company		
Issue of 1,234,086 units (2024: 475,640 units)	133,368	48,177
Redemption of 1,021,982 units (2024: 321,705 units)	111,707	33,917

June 30,
2025 June 30,
2024
----- (Rupees in '000) -----

16.2 Balances outstanding as at the year / period end:

HBL Asset Management Limited - Management Company

Remuneration payable to the Management Company	17,159	6,760
Sindh Sales Tax payable on Management Company's remuneration	2,574	879
Sales load payable	1,828	774
Selling and marketing expense payable	-	1,304
Formation cost payable	268	59

Central Depository Company of Pakistan Limited - Trustee

Trustee fee payable	590	248
Sindh Sales Tax payable on Trustee fee	89	32

Habib Bank Limited - Sponsor

Bank balances	2,670,752	1,620,830
Profit Receivable	43,238	7,929

Directors and executives of the Management Company

Units held: 233,074 units (2024: 153,936 units)	23,451	15,419

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 IFRS. 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 close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	quoted prices in active markets for identical assets or liabilities;	Listed government securities traded on PSX are valued at revaluation rates disseminated by PSX. The fair value of debt securities (other than government securities) is based on the value determined and announced by MUFAP.
Level 2:	those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV / PKISRV). For Debt securities for which MUFAP valuation is not available are valued at face value of the securities.
Level 3:	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	The Fund applies discretion on the effective yield as per the allowable limits. The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/50 bps. For unrated securities the allowable limits +50 bps.

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

Particulars	As at June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
Government of Pakistan (GOP)	1,031,659	-	1,031,659	1,031,659	-	-	1,031,659
Ijara Sukuk	1,279,000	-	1,279,000	-	1,279,000	-	1,279,000
Corporate sukuk bonds	3,014,698	-	3,014,698	-	-	3,014,698	3,014,698
Bai Muajjal	5,325,357	-	5,325,357	1,031,659	1,279,000	-	5,325,357
Financial assets not measured at fair value							
Bank balance	-	2,763,480	2,763,480				
Profit receivable	-	106,431	106,431				
	-	2,869,911	2,869,911				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	19,255	19,255				
Payable to the Trustee	-	590	590				
Accrued expenses and other liabilities	-	831	831				
Payable against redemption of units	-	2,725,768	2,725,768				
Dividend payable	-	9,732	9,732				
	-	2,756,176	2,756,176				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	As at June 30, 2024						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
Financial assets measured at fair value							
Government of Pakistan (GOP)	652,133	-	652,133	652,133	-	-	652,133
Ijara Sukuk	245,000	-	245,000	-	245,000	-	245,000
Corporate sukuk bonds	642,825	-	642,825	-	-	642,825	642,825
Musharika Certificates	1,624,895	-	1,624,895	-	-	1,624,895	1,624,895
	3,164,853	-	3,164,853	652,133	245,000	-	3,164,853
Financial assets not measured at fair value							
Bank balance	-	2,048,109	2,048,109				
Profit receivable	-	70,185	70,185				
	-	2,118,294	2,118,294				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	8,897	8,897				
Payable to the Trustee	-	248	248				
Accrued expenses and other liabilities	-	979	979				
	-	10,124	10,124				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

18. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, profit rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mentioned risks. The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

18.1 Market risk

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

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Directors of the Management Company and the regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

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

18.1.1 Currency risk

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

18.1.2 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2025, the Fund is exposed to such risk on bank balances, investments in Bai mujjal, Musharakah certificates, corporate sukuks and GOP ijara sukuks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2025 details of Fund's profit bearing financial instruments were as follows:

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
Variable rate instrument (financial asset)			
Corporate sukuk bonds	5.2	1,279,000	245,000
Bank balances	4	2,763,480	2,048,109
		4,042,480	2,293,109
Fixed rate instruments (financial assets)			
Government of Pakistan (GOP) Ijara Sukuk	5.1	1,031,659	652,133
Musharika Certificates	5.3	-	1,624,895
Bai Muajjal	5.4	3,014,698	642,825
		4,046,357	2,919,853

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based bank balances which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the period and net assets of the Fund would have been higher / lower by Rs. 40.42 million (2024: Rs. 22.93 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, the Fund holds GOP ijara sukuks, musharakah certificates, corporate sukuks and bai-mujjal which are fixed rate instruments exposing the Fund to fair value profit rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2025, the net income for the period and net assets would be lower / higher by Rs. 40.46 million (2024: Rs. 29.19 million).

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2025 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2025 can be determined as follows:

June 30, 2025					
Yield / effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit risk	Total
----- % -----	----- (Rupees in '000) -----				

On-balance sheet financial instruments

Financial Assets

Bank balances	9.00 to 11.50	2,763,480	-	-	-	2,763,480
Investments						
Government of Pakistan (GOP) Ijara Sukuk	7.6 - 12.72	496,950	534,709	-	-	1,031,659
Corporate sukuk bonds	10.91 - 12.75	634,000	645,000	-	-	1,279,000
Musharika Certificates		-	-	-	-	-
Bai Muajjal	10.83 to 21.15	3,014,698	-	-	-	3,014,698
Profit receivable		-	-	-	106,431	106,431
		6,909,128	1,179,709	-	106,431	8,195,268

Financial Liabilities

Payable to the Management Company	-	-	-	19,255	19,255
Payable to the Trustee	-	-	-	590	590
Payable against redemption of units	-	-	-	2,725,768	2,725,768
Dividend payable	-	-	-	9,732	9,732
Accrued expenses and other liabilities	-	-	-	831	831
	-	-	-	2,756,176	2,756,176

June 30, 2024					
Yield / effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit risk	Total
----- % ----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial Assets					
Bank balances	19.10 - 19.90	2,048,109	-	-	2,048,109
Investments					
Government of Pakistan (GOP) Ijara Sukuk	19.99	-	652,133	-	652,133
Corporate sukuk bonds	21.85	-	245,000	-	245,000
Musharika Certificates	19.30 - 21.85	1,624,895	-	-	1,624,895
Bai Muajjal	21.15	642,825	-	-	642,825
Profit receivable		-	-	70,185	70,185
		4,315,829	897,133	-	5,283,147
Financial Liabilities					
Payable to the Management Company		-	-	8,897	8,897
Payable to the Trustee		-	-	248	248
Accrued expenses and other liabilities		-	-	979	979
		-	-	10,124	10,124

18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

18.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments in musharakah certificates, bank balances, corporate sukuks and bai-mujjal. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major counter parties. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from bank balances, investment in musharakah certificates and bai-mujjal is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of Directors. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	June 30, 2025		June 30, 2024	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees in '000)			
Bank Balances	2,763,480	2,763,480	2,048,109	2,048,109
Government of Pakistan (GOP) Ijara Sukuk (Fixed)	1,031,659	-	652,133	-
Corporate sukuk bonds	1,279,000	1,279,000	245,000	245,000
Musharika Certificates	-	-	1,624,895	1,624,895
Bai Muajjal	3,014,698	3,014,698	642,825	642,825
Profit receivable	106,431	106,431	70,185	70,185
	8,195,268	7,163,609	5,283,147	4,631,014

18.2.1 The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2025:

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency

-----Rupees in '000-----

Bank Balances by rating category

United Bank Limited	17,289	AAA	VIS
Habib Bank Limited	2,670,752	AAA	VIS
Faysal Bank Limited	75,439	AA+	PACRA
	2,763,480		

The analysis below summarises the credit quality of the Fund's credit exposure:

	June 30, 2025
	--%--
AAA	97.27
AA+	2.73
	100

Name of Banks	Balances held as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency

-----Rupees in '000-----

Bank Balances by rating category

United Bank Limited	136,286	AAA	VIS
Habib Bank Limited	1,094,714	AAA	VIS
Faysal Bank Limited	817,109	AA	PACRA
	2,048,109		

The analysis below summarises the credit quality of the Fund's credit exposure:

	June 30, 2024 --%--
AAA	60.10
AA	39.90
	<u>100</u>

Concentration of credit risk

Investment in treasury bills do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and management does not expect to incur any credit loss on such investments.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

18.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting it's obligations arising from it's financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the unit holder's option, however, the Fund does not anticipate significant redemption of units.

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

19. UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size of Rs. 100 million during the current year.

20. LIST OF BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Brokers during the period ended June 30, 2025

- 1 Continental Exchange (Private) Limited
- 2 Invest One Market Limited
- 3 Currency Market Associates (Private) Limited
- 4 Icon Management (Private) Limited
- 5 Summit Capital (Private) Limited
- 6 Alfalah CLSA Securities (Private) Limited
- 7 Next Capital Limited

Brokers during the period ended June 30, 2024

- 1 Sherman Securities (Private) Limited
- 2 AHM Securities (Private) Limited

21. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

S. No.	Names	Designation	Qualifications	Experience in years
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26
2.	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	30
3.	Rahat Saeed Khan	Head of Fixed Income	MBA	28
4.	Amin Mohammad	Head of Risk	MBA	33
6.	Hammad Ali Abbas	Senior Fund Manager	MSC	20

22. PATTERN OF UNIT HOLDING

Pattern of unit holding as at June 30, 2025 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000'	----%----
Individuals	1,197	45,317,720	4,559,606	85.02
Insurance Companies	1	558	57	0.00
Trust	1	52,158	5,248	0.10
Retirement Funds	2	107,599	10,826	0.20
Other corporates	7	7,824,122	787,216	14.68
	1,208	53,302,157	5,362,953	100

Pattern of unit holding as at June 30, 2024 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000'	----%----
Individuals	447	43,304,786	4,337,616	82.64
Insurance Companies	7	2,028,629	203,197	3.87
Trust	1	306,670	30,718	0.59
Retirement Funds	2	543,502	54,440	1.04
Other corporates	2	6,216,257	622,648	11.86
	459	52,399,844	5,248,619	100

23. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2024, September 26, 2024, October 24, 2024, January 25, 2025, February 18, 2025, April 27, 2025, May 26, 2025, May 27, 2025 and June 04, 2025 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No	Name of Directors	Number of meetings			Meetings not attended
		Held	Attended	Leave Granted	
1	Mr. Shahid Ghaffar **	9	9	-	-
2	Ms. Ava A. Cowasjee **	9	9	-	-
3	Mr. Rayomond H. Kotwal **	9	6	3	August 28, 2024, May 27, 2025 & June 04, 2025
4	Mr. Abrar Ahmed Mir **	9	8	1	August 28, 2024
5	Mr. Tariq Masaud **	9	8	1	October 24, 2024
6	Mr. Abid Sattar *	6	6	-	-
7	Mr. Khalid Malik **	9	9	-	-
8	Mr. Habib Yousuf Habib***	3	2	1	May 27, 2025
9	Ms. Sheeza Ahmed***	3	3	-	-

* Completed term and retire on April 28, 2025.

** Completed term and reappointed on April 29, 2025.

*** Appointed on April 29, 2025.

24. CORRESPONDING FIGURES

Corresponding figures have been re-classified, re-arranged or additionally incorporated in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications were made in these financial statements.

25. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2025 by the Board of Directors of the Management Company.

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

Chief Financial Officer

Chief Executive Officer

Director



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*All the calculations are for illustrative purposes only. They are not to be used for any other purpose.

HBL

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