

**HBL**

**ASSET MANAGEMENT LTD.**

**ایسٹٹ منیجمنٹ لمیٹڈ**

AM1 (Stable Outlook) by VIS



# Annual Report 2024-25

MOVING TOWARDS  
**EXCELLENCE**



# TABLE OF CONTENTS

<i>Vision / Mission</i>	03	<i>Statement of Assets &amp; Liabilities</i>	159
<i>Corporate Values</i>	04	<i>Income Statements</i>	160
<i>Corporate Information</i>	05	<i>Statement of Comprehensive Income</i>	161
<i>Report of the Directors of Management Company</i>	06	<i>Statement of Movement in Unit Holders' Fund</i>	162
		<i>Cash Flow Statement</i>	163
		<i>Note to the Financial Statements</i>	164
<b>HBL MONEY MARKET FUND</b>			
<i>Fund Information</i>	26		
<i>Fund Manager's Report</i>	27	<b>HBL GOVERNMENT SECURITIES FUND</b>	
<i>Performance Table</i>	30	<i>Fund Information</i>	190
<i>Trustee Report to the unit holders</i>	31	<i>Fund Manager's Report</i>	191
<i>Independent Auditors' Report to the Unit Holders</i>	32	<i>Performance Table</i>	194
<i>Statement of Assets &amp; Liabilities</i>	35	<i>Trustee Report to the unit holders</i>	195
<i>Income Statements</i>	36	<i>Independent Auditors' Report to the Unit Holders</i>	196
<i>Statement of Comprehensive Income</i>	37	<i>Statement of Assets &amp; Liabilities</i>	199
<i>Statement of Movement in Unit Holders' Fund</i>	38	<i>Income Statements</i>	200
<i>Cash Flow Statement</i>	39	<i>Statement of Comprehensive Income</i>	201
<i>Note to the Financial Statements</i>	40	<i>Statement of Movement in Unit Holders' Fund</i>	202
		<i>Cash Flow Statement</i>	203
		<i>Note to the Financial Statements</i>	204
<b>HBL INCOME FUND</b>			
<i>Fund Information</i>	66	<b>HBL STOCK FUND</b>	
<i>Fund Manager's Report</i>	67	<i>Fund Information</i>	230
<i>Performance Table</i>	70	<i>Fund Manager's Report</i>	231
<i>Trustee Report to the unit holders</i>	71	<i>Performance Table</i>	234
<i>Independent Auditors' Report to the Unit Holders</i>	72	<i>Proxy Voting Disclosure</i>	235
<i>Statement of Assets &amp; Liabilities</i>	75	<i>Trustee Report to the unit holders</i>	236
<i>Income Statements</i>	76	<i>Independent Auditors' Report to the Unit Holders</i>	237
<i>Statement of Comprehensive Income</i>	77	<i>Statement of Assets &amp; Liabilities</i>	239
<i>Statement of Movement in Unit Holders' Fund</i>	78	<i>Income Statements</i>	240
<i>Cash Flow Statement</i>	79	<i>Statement of Comprehensive Income</i>	241
<i>Note to the Financial Statements</i>	80	<i>Statement of Movement in Unit Holders' Fund</i>	242
		<i>Cash Flow Statement</i>	243
		<i>Note to the Financial Statements</i>	244
<b>HBL ENERGY FUND</b>			
<i>Fund Information</i>	107	<b>HBL CASH FUND</b>	
<i>Fund Manager's Report</i>	108	<i>Fund Information</i>	267
<i>Performance Table</i>	111	<i>Fund Manager's Report</i>	268
<i>Proxy Voting Disclosure</i>	112	<i>Performance Table</i>	271
<i>Trustee Report to the unit holders</i>	113	<i>Trustee Report to the unit holders</i>	272
<i>Independent Auditors' Report to the Unit Holders</i>	114	<i>Independent Auditors' Report to the Unit Holders</i>	273
<i>Statement of Assets &amp; Liabilities</i>	117	<i>Statement of Assets &amp; Liabilities</i>	276
<i>Income Statements</i>	118	<i>Income Statements</i>	277
<i>Statement of Comprehensive Income</i>	119	<i>Statement of Comprehensive Income</i>	278
<i>Statement of Movement in Unit Holders' Fund</i>	120	<i>Statement of Movement in Unit Holders' Fund</i>	279
<i>Cash Flow Statement</i>	121	<i>Cash Flow Statement</i>	280
<i>Note to the Financial Statements</i>	122	<i>Note to the Financial Statements</i>	281
<b>HBL EQUITY FUND</b>		<b>HBL MULTI ASSET FUND</b>	
<i>Fund Information</i>	149	<i>Fund Information</i>	310
<i>Fund Manager's Report</i>	150	<i>Fund Manager's Report</i>	311
<i>Performance Table</i>	154	<i>Performance Table</i>	314
<i>Proxy Voting Disclosure</i>	153	<i>Proxy Voting Disclosure</i>	315
<i>Trustee Report to the unit holders</i>	155		
<i>Independent Auditors' Report to the Unit Holders</i>	156		

<i>Trustee Report to the unit holders</i>	316	<b>HBL TOTAL TREASURY EXCHANGE TRADED FUND</b>	
<i>Independent Auditors' Report to the Unit Holders</i>	317	<i>Fund Information</i>	500
<i>Statement of Assets &amp; Liabilities</i>	320	<i>Fund Manager's Report</i>	501
<i>Income Statements</i>	321	<i>Performance Table</i>	504
<i>Statement of Comprehensive Income</i>	322	<i>Trustee Report to the unit holders</i>	505
<i>Statement of Movement in Unit Holders' Fund</i>	323	<i>Independent Auditors' Report to the Unit Holders</i>	506
<i>Cash Flow Statement</i>	324	<i>Statement of Assets &amp; Liabilities</i>	509
<i>Note to the Financial Statements</i>	325	<i>Income Statements</i>	510
		<i>Statement of Comprehensive Income</i>	511
		<i>Statement of Movement in Unit Holders' Fund</i>	512
		<i>Cash Flow Statement</i>	513
		<i>Note to the Financial Statements</i>	514
<b>HBL GROWTH FUND</b>		<b>HBL MEHFOOZ MUNAFA FUND</b>	
<i>Fund Information</i>	354	<i>Fund Information</i>	537
<i>Fund Manager's Report</i>	355	<i>Fund Manager's Report</i>	538
<i>Performance Table</i>	359	<i>Performance Table</i>	541
<i>Proxy Voting Disclosure</i>	360	<i>Trustee Report to the unit holders</i>	542
<i>Trustee Report to the unit holders</i>	361	<i>Independent Auditors' Report to the Unit Holders</i>	543
<i>Independent Auditors' Report to the Unit Holders</i>	362	<i>Statement of Assets &amp; Liabilities</i>	546
<i>Statement of Assets &amp; Liabilities</i>	365	<i>Income Statements</i>	547
<i>Income Statements</i>	366	<i>Statement of Comprehensive Income</i>	548
<i>Statement of Comprehensive Income</i>	367	<i>Statement of Movement in Unit Holders' Fund</i>	549
<i>Statement of Movement in Unit Holders' Fund</i>	368	<i>Cash Flow Statement</i>	556
<i>Cash Flow Statement</i>	370	<i>Note to the Financial Statements</i>	557
<i>Note to the Financial Statements</i>	371		
<b>HBL INVESTMENT FUND</b>			
<i>Fund Information</i>	402		
<i>Fund Manager's Report</i>	403		
<i>Performance Table</i>	408		
<i>Proxy Voting Disclosure</i>	409		
<i>Trustee Report to the unit holders</i>	410		
<i>Independent Auditors' Report to the Unit Holders</i>	411		
<i>Statement of Assets &amp; Liabilities</i>	414		
<i>Income Statements</i>	415		
<i>Statement of Comprehensive Income</i>	416		
<i>Statement of Movement in Unit Holders' Fund</i>	417		
<i>Cash Flow Statement</i>	419		
<i>Note to the Financial Statements</i>	420		
<b>HBL FINANCIAL SECTOR INCOME FUND</b>			
<i>Fund Information</i>	454		
<i>Fund Manager's Report</i>	455		
<i>Performance Table</i>	459		
<i>Trustee Report to the unit holders</i>	461		
<i>Independent Auditors' Report to the Unit Holders</i>	462		
<i>Statement of Assets &amp; Liabilities</i>	466		
<i>Income Statements</i>	467		
<i>Statement of Comprehensive Income</i>	468		
<i>Statement of Movement in Unit Holders' Fund</i>	469		
<i>Cash Flow Statement</i>	471		
<i>Note to the Financial Statements</i>	472		

# OUR VISION

Enabling people to  
advance with  
confidence and  
success.

# OUR MISSION

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

## PROGRESSIVENESS

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

## MERITOCRACY

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

## EXCELLENCE

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

## OUR CORPORATE VALUES

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

## CUSTOMER FOCUS

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

## INTEGRITY

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

## Management Company

### HBL Asset Management Limited

#### Board of Directors (Composition as of August 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.hblasst.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 Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Growth Fund, HBL Investment Fund, HBL Financial Sector Income Fund, HBL Mehfooz Munafa Fund and HBL Total Treasury Exchange Traded 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 growth 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, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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. 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.

## **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 KSE-100 is trading at a forward P/E multiple of ~6.8x compared to a 15 year average of ~8.59x, 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 Income Fund

The total income and net income of the Fund was Rs. 1.35 billion and Rs. 1.13 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 113.2781 per unit as on June 30, 2025 (after incorporating dividend of Rs.

17.20 per unit) as compared to Rs. 113.3201 per unit as on June 30, 2024 thereby giving an annualized return of 15.13%. During the period the benchmark (75% 6 Month KIBOR and 25% 6 Month Deposit rates) return was 13.79%. The size of Fund was Rs. 13.16 billion as on June 30, 2025 as compared to Rs. 4.97 billion at the start of the year.

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

### HBL Government Securities Fund

The total income and net income of the Fund was Rs. 1.99 billion and Rs. 1.74 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 114.0631 per unit as on June 30, 2025 (after incorporating dividend of Rs. 20.85 per unit) as compared to Rs. 113.4443 per unit as on June 30, 2024, thereby giving an annualized return of 19.03%. During the same period the benchmark (90% 6 Month KIBOR and 10% 6 Month Deposit rates) return was 13.59%. The size of Fund was Rs. 4.93 billion as on June 30, 2025 as compared to Rs. 2.06 billion at the start of the year.

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

### HBL Money Market Fund

The total income and net income of the Fund was Rs. 5.71 billion and Rs. 4.80 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.6024 per unit as on June 30, 2025 (after incorporating dividend of Rs. 14.35 per unit) as compared to Rs. 103.4401 per unit as on June 30, 2024, thereby giving an annualized return of 14.05%. During the period the benchmark (90% 3M PKRV & 10% 3M deposit rates) return was 13.90%. The size of Fund was Rs. 28.52 billion as on June 30, 2025 as compared to Rs.22.48 billion at the start of the year.

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

### HBL Cash Fund

The total income and net income of the Fund was Rs. 11.97 billion and Rs. 10.85 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs 103.3525 per unit as on June 30, 2025 (after incorporating dividend of Rs. 14.85 per unit) as compared to Rs 103.1573 per unit as on June 30, 2024, thereby giving an annualized return of 14.61%. During the period the benchmark (90% 3M PKRV & 10% 3M deposit rates) return was 13.90%. The size of Fund was Rs 120.57 billion as on June 30, 2025 as compared to Rs. 56.42 billion at the start of the year.

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

### HBL Stock Fund

The total and net income of the Fund was Rs. 183.92 million and Rs. 154.47 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs 170.4469 per unit as on June 30, 2025 as compared to Rs 120.5342 per unit as on June 30, 2024, thereby giving a return of 41.41%. During the same period the benchmark

KSE 30 index yielded a return of 64.20%. The size of Fund was Rs 0.75 billion as on June 30, 2025 as compared to Rs. 0.23 billion at the start of the year.

### **HBL Equity Fund**

The total and net income of the Fund was Rs. 219.48 million and Rs. 179.83 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 186.4654 per unit as on June 30, 2025 as compared to Rs. 121.4784 per unit as on June 30, 2024, thereby giving a return of 53.50%. During the period the benchmark KSE 100 index yielded a return of 60.15%. The size of Fund was Rs. 0.87 billion as on June 30, 2025 as compared to Rs. 0.19 billion at the start of the year.

### **HBL Energy Fund**

The total and net income of the Fund was Rs. 426.13 million and Rs. 351.73 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 26.7616 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.50 per unit) as compared to Rs. 16.9821 per unit as on June 30, 2024, thereby giving a return of 60.53%. During the same period the benchmark KSE 30 index yielded a return of 64.20%. The size of Fund was Rs. 1.83 billion as on June 30, 2025 as compared to Rs. 0.57 billion at the start of the year.

### **HBL Multi Asset Fund**

The total and net income of the Fund was Rs. 61.74 million and Rs. 54.25 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs 185.6750 per unit as on June 30, 2025 (after incorporating dividend of Rs. 9.00 per unit) as compared to Rs 138.4640 per unit as on June 30, 2024, thereby giving a return of 40.59%. During the same period the benchmark index (60% of benchmark for Equity CIS and 40% of benchmark for income CIS) yielded a return of 42.16%. The size of Fund was Rs 0.15 billion as on June 30, 2025 as compared to Rs. 0.12 billion at the start of the year.

### **HBL Growth Fund**

The Fund as a whole earned a total and net income of Rs. 1.34 billion and Rs. 1.07 billion respectively during the year under review. The fund size of the fund stood at Rs. 14.37 billion as on June 30, 2025.

Performance review of each class is presented below:

#### **HBL Growth Fund – Class ‘A’**

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 483.44 million and Rs. 320.20 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 42.2869 per unit as on June 30, 2025 (after incorporating dividend of Rs. 1.05 per unit) as compared to Rs. 19.9485 as at June 30, 2024, thereby giving a return of 117.23%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘A’ was Rs. 11.99 billion as on June 30, 2025 as compared to Rs. 5.66 billion at the start of the year.

#### **HBL Growth Fund – Class ‘B’**

HBL Growth Fund – Class ‘B’ earned a total and net income of Rs. 860.47 million and Rs. 751.414 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 31.5798 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.25 per unit) as compared to Rs. 21.5925 as at June 30, 2024, thereby giving a return of 47.41%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘B’ was Rs. 2.38 billion as on June 30, 2025 as compared to Rs. 1.50 billion at the start of the year.

### **HBL Investment Fund**

The Fund as a whole earned a total and net income of Rs. 492.62 million and Rs. 389.13 million respectively during the year under review. The fund size of the fund stood at Rs. 5.25 billion as on June 30, 2025.

Performance review of each class is presented below:

### **HBL Investment Fund – Class ‘A’**

HBL Investment Fund – Class ‘A’ earned a total income and net income of Rs. 162.46 million and Rs. 102.09 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 15.2131 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.33 per unit) as compared to Rs. 7.1063 as at June 30, 2024, thereby giving a return of 118.70%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘A’ was Rs. 4.32 billion as on June 30, 2025 as compared to Rs. 2.02 billion at the start of the year.

### **HBL Investment Fund – Class ‘B’**

HBL Investment Fund – Class ‘B’ earned a total and net income of Rs. 330.16 million and Rs. 287.04 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 14.7076 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.25 per unit) as compared to Rs. 10.3650 as at June 30, 2024, thereby giving a return of 44.31%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘B’ was Rs. 0.93 billion as on June 30, 2025 as compared to Rs. 0.69 billion at the start of the year.

### **HBL Financial Sector Income Fund**

The Fund as a whole earned a total and net income of Rs. 8.82 billion and Rs. 7.90 billion respectively. The collective size of the Fund as at June 30, 2025 was 20.43 billion.

Performance of each plan is presented below.

#### **HBL Financial Sector Income Fund – Plan-I**

The total income and net income of the Fund was Rs. 8.10 billion and Rs. 7.21 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the

Fund was Rs. 102.4369 per unit as on June 30, 2025 (after incorporating dividend of Rs. 15.20 per unit) as compared to Rs. 102.0570 per unit as on June 30, 2024, thereby giving an annualized return of 15.32%. During the same period, the benchmark (75% 6 Month KIBOR and 25% 6 Month Deposit rates) return was 13.79%. The size of Fund was Rs. 11.26 billion as on June 30, 2025 as compared to Rs. 50.71 billion as at start of the year.

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

#### **HBL Financial Sector Income Fund – Plan-II**

The Financial Sector Income Fund Plan-II commenced its operations on February 20, 2024.

The total income and net income of the Fund was Rs. 721.19 million and Rs. 690.41 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.0000 per unit as on June 30, 2025 (after incorporating dividends of Rs. 14.7426 per unit) thereby giving an annualized return of 15.72%. During the same period, the benchmark return (75% 6 Month KIBOR and 25% 6 Month Deposit rates) was 13.79%. The size of Fund was Rs. 9.17 billion as on June 30, 2025 as compared to 9.96 billion as at start of the year.

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

### **HBL Mehfooz Munafa Fund**

The HBL Mehfooz Munafa Fund (the Fund) started launching its different plans from May 18, 2023 for different maturity tenures. As at June 30, 2025, the following plan exists under the Fund.

#### **HBL Mehfooz Munafa Fund Plan-III**

The total income and net income of the plan was Rs. 249.87 million and Rs. 238.05 million respectively for the period ended June 30, 2025. The net assets as at June 30, 2025 was 1.59 billion representing NAV of Rs. 100.1556 (after incorporating dividend of Rs. 16.75 per unit) thereby giving an annualized return of 17.44% against the benchmark return of 18.48%.

### HBL Total Treasury Exchange Traded Fund

The total income and net income of the Fund was Rs. 92.78 million and Rs. 87.39 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.2316 per unit as on June 30, 2025 (after incorporating dividend of Rs. 16.00 per unit) thereby giving an annualized return of 17.23%. During the same period, the benchmark return was 17.29%. The size of Fund was Rs. 516 million as on June 30, 2025 as compared to Rs. 509 million as at start of the year.

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

### 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.

S.no	Name of Fund	Retiring Auditors for the year ended June 30, 2025	Auditors for the year June 30, 2026	Re-appointment / new appointment
1	HBL Government Securities Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
2	HBL Cash Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
3	HBL Energy Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
4	HBL Total Treasury Exchange Traded Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
5	HBL Equity Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
6	HBL Multi Asset Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
7	HBL Mehfooz Munafa Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
8	HBL Financial Sector Income Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
9	HBL Income Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	Re-appointed

10	HBL Money Market Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	Re-appointed
11	HBL Stock Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	Re-appointed
12	HBL Growth Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	Re-appointed
13	HBL Investment Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	Re-appointed

#### **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 & 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 پر میر ہونے والے سال کیلئے ایچ بی ایل ایل اے فنڈ، ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ، ایچ بی ایل منی مارکیٹ فنڈ، ایچ بی ایل ایل اسٹاک فنڈ، ایچ بی ایل ایکویٹی فنڈ، ایچ بی ایل انرجی فنڈ، ایچ بی ایل ملٹی ایسیٹ فنڈ، ایچ بی ایل گروتھ فنڈ، ایچ بی ایل انویسٹمنٹ فنڈ، ایچ بی ایل فنانشل سیکٹر ایل ایل اے فنڈ، ایچ بی ایل محفوظ منافع فنڈ اور ایچ بی ایل ٹول ٹریڈری آپریشن ٹریڈ 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 آرٹیکل (SBA) کے ذریعے حاصل ہونے والے استحکام سے میسر آئی۔ مالی سال 2024 میں SBA کی کامیاب تکمیل نے تین سالہ ایکسٹینڈ ڈ فنڈ فسیٹی (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 جا رہی ہے کہ EFF پروگرام طویل مدتی معاشی استحکام کو سہارا دے گا، بیرونی مشکلات کے مقابلے میں معیشت کی لچک 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 کمزور فصلوں 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۔

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 ریکارڈ 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 پاکستان کے بیچ مارک KSE-100 انڈیکس میں روپے کی بنیاد پر سال بہ سال 60 فیصد اضافہ ہوا، جبکہ ڈالر کی بنیاد پر یہ اضافہ 57 فیصد رہا۔ یہ کارکردگی گزشتہ سال کی شاندار کارکردگی کا تسلسل تھی۔ گزشتہ دو برسوں (مالی سال 2024 اور 2025) میں پاکستان اسٹاک ایکسچینج (PSX) نے روپے کی بنیاد پر 203 فیصد اور ڈالر کی بنیاد پر 206 فیصد کا غیر معمولی مجموعی منافع دیا، جس نے اسے اس مدت کے دوران دنیا کی بہترین کارکردگی دکھانے والی ایکویٹی مارکیٹ بنا دیا۔ 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، فچ 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)، فریڈلائزر (+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 بنیاد ہی وجہ افراط زر میں بڑی کمی تھی۔ اوسط افراط زر سنگل ڈھٹ کی نچلی 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، فچ کی جانب سے پاکستان کی



کریڈٹ ریٹنگ کو-B تک اپ گریڈ کرنا اور کارپوریٹ سیٹھ کی مضبوط آمدنی کے امکانات نے سرمایہ کاروں کے اعتماد کو مزید تقویت دی۔ اس کے علاوہ تیل کی قیمتوں کے کمزور امکانات اور کثیرالجہتی و دو طرفہ مالی معاونت نے ایکویٹیز میں مثبت رجحان کو سہارا دیا۔

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۔ مستقبل کے تناظر میں حقیقی شرح سود مثبت ہوگئی ہے، جس سے یہ امکان بنتا ہے کہ اگر قیمتوں میں استحکام جاری رہا تو مزید کمی کی گنجائش موجود ہے۔

کم شرح سود کی توقعات کے باعث ثانوی مارکیٹ میں بییلڈ ز نمایاں طور پر کم ہوئیں۔ مالی سال 2024 میں جب قلیل اور درمیانی مدتی شرحیں 23-25 فیصد کی بلند سطح تک جا پہنچی تھیں، تو جون 2025 تک یہ گھٹ کر بالترتیب 11.4 فیصد، 11.6 فیصد، 11.9 فیصد، 12.1 فیصد اور 12.4 فیصد پر آگئیں (3 ماہ، 6 ماہ، 12 ماہ، 3 سال اور 5 سالہ انسٹرومنٹس کے لیے)۔

ٹی بلز کی نیلامیوں میں بھی گذشتہ سال کے مقابلے میں کٹ آف بییلڈ ز نمایاں طور پر کم ہوئیں۔ 3 ماہ، 6 ماہ اور 12 ماہ کے پیپرز جو بالترتیب 24.5 فیصد، 24.79 فیصد اور 25.07 فیصد کی بلند ترین سطح تک پہنچے تھے، مالی سال 2025 کے اختتام پر 11.01 فیصد، 10.89 فیصد اور 10.85 فیصد پر بند ہوئے، جو قلیل مدتی شرحوں میں نمایاں کمی کو ظاہر کرتا ہے۔ اسی طرح 3 سال اور 5 سالہ فکسڈ ریٹ PIB نیلامیوں میں کٹ آف بییلڈ ز گھٹ کر بالترتیب 11.40 فیصد اور 11.70 فیصد پر آگئیں، جبکہ ان کی بلند ترین سطحیں 19.35 فیصد اور 16.95 فیصد تھیں۔

25 جون 2025 کو ہونے والی آخری ٹی بل نیلامی میں حکومت نے ہدف 650 بلین روپے کے مقابلے میں 344.6 بلین روپے اکٹھے کیے۔ کٹ آف بییلڈ ز زیادہ تر مستحکم رہیں اور 3 ماہ، 6 ماہ اور 12 ماہ کی مدت کے لیے بالترتیب 11.01 فیصد، 10.89 فیصد اور 10.85 فیصد پر بند ہوئیں، جو کم شرحوں پر سرمایہ کاروں کی جاری طلب کو ظاہر کرتی ہیں۔

18 جون 2025 کو ہونے والی آخری فکسڈ ریٹ PIB نیلامی میں حکومت نے ہدف 300 بلین روپے کے مقابلے میں 556.7 بلین روپے اکٹھے کیے، اور کٹ آف بییلڈ ز بالترتیب 11.40 فیصد (3 سال)، 11.70 فیصد (5 سال) اور 12.50 فیصد (10 سال) پر طے

ہوئیں۔ مالی سال 2025 کی آخری فلونٹنگ ریٹ PIB نیلامی کم سبسکرائب رہی، اور حکومت نے ہدف 200 بلین روپے کے مقابلے میں 155.5 بلین روپے حاصل کیے۔

چونکہ افراط سٹنگل ڈجٹ میں رہنے کی توقع ہے اور ترقی ابھی اپنی پوری صلاحیت سے کم ہے، اس لیے مالی سال 2026 میں شرح سود میں مزید کمی کا امکان کافی زیادہ ہے۔

### 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۔ زریع 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 گذشتہ برسوں میں دیکھے گئے نمایاں اخراجات 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۔

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 آپیکس 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 انڈیکس 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، دو طرفہ/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 ویلیو ایڈیشنز، 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 بییلڈ 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 اے کم فنڈ**

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 1.35 بلین روپے اور خالص آمدنی 1.13 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 113.2781 روپے فی یونٹ رہی (جس میں 17.20 روپے فی یونٹ منافع شامل ہے) جبکہ 30 جون 2024 کو یہ 113.3201 روپے فی یونٹ تھی۔ اس طرح سالانہ منافع 15.13 فیصد رہا۔ اس مدت میں بیچ مارک (75% چھ ماہ کا KIBOR اور 25% چھ ماہ کی ڈپازٹ ریٹس) کا منافع 13.79 فیصد رہا۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 13.16 بلین روپے تک پہنچ گیا جو کہ سال کے آغاز میں 4.97 بلین روپے تھا۔

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

**ایچ بی ایل گورنمنٹ سیکورٹیز فنڈ**

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 1.99 بلین روپے اور خالص آمدنی 1.74 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 114.0631 روپے فی یونٹ تھی (جس میں 20.85 روپے فی یونٹ منافع شامل ہے) جبکہ 30 جون 2024 کو یہ 113.4443 روپے فی یونٹ تھی۔ اس طرح سالانہ منافع 19.03 فیصد رہا۔ اسی مدت کے دوران بیچ مارک (90% چھ ماہ کا KIBOR اور 10% چھ ماہ کی ڈپازٹ ریٹس) کا منافع 13.59 فیصد رہا۔ فنڈ کا حجم 30 جون 2025 کو بڑھ کر 4.93 بلین روپے ہو گیا جو کہ سال کے آغاز میں 2.06 بلین روپے تھا۔

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

## ایچ بی ایل منی مارکیٹ فنڈ

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 5.71 بلین روپے اور خالص آمدنی 4.80 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 103.6024 روپے فی یونٹ تھی (جس میں 14.35 روپے فی یونٹ منافع شامل ہے) جبکہ 30 جون 2024 کو یہ 103.4401 روپے فی یونٹ تھی۔ اس طرح سالانہ منافع 14.05 فیصد رہا۔ اسی مدت کے دوران بیچ مارک (90% تین ماہ کا PKRV اور 10% تین ماہ کی ڈپازٹ ریٹس) کا منافع 13.90 فیصد رہا۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 28.52 بلین روپے ہو گیا جو کہ سال کے آغاز میں 22.48 بلین روپے تھا۔  
VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی مستحکم ریٹنگ AA+(f) پر برقرار رکھی ہے۔

## ایچ بی ایل کیش فنڈ

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 11.97 بلین روپے اور خالص آمدنی 10.85 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 103.3525 روپے فی یونٹ تھی (جس میں 14.85 روپے فی یونٹ منافع شامل ہے) جبکہ 30 جون 2024 کو یہ 103.1573 روپے فی یونٹ تھی۔ اس طرح سالانہ منافع 14.61 فیصد رہا۔ اسی مدت کے دوران بیچ مارک (90% تین ماہ کا PKRV اور 10% تین ماہ کی ڈپازٹ ریٹس) کا منافع 13.90 فیصد رہا۔ فنڈ کا حجم 30 جون 2025 کو بڑھ کر 120.57 بلین روپے ہو گیا جو کہ سال کے آغاز میں 56.42 بلین روپے تھا۔  
VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی مستحکم ریٹنگ AA+(f) پر برقرار رکھی ہے۔

## ایچ بی ایل اسٹاک فنڈ

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 183.92 بلین روپے اور خالص آمدنی 154.47 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 170.4469 روپے فی یونٹ تھی، جبکہ 30 جون 2024 کو یہ 120.5342 روپے فی یونٹ تھی۔ اس طرح منافع کی شرح 41.41 فیصد رہی۔ اسی مدت کے دوران بیچ مارک KSE-30 انڈیکس کا منافع 64.20 فیصد رہا۔ فنڈ کا حجم 30 جون 2025 کو بڑھ کر 0.75 بلین روپے ہو گیا جو کہ سال کے آغاز میں 0.23 بلین روپے تھا۔

## ایچ بی ایل ایکویٹی فنڈ

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 219.48 بلین روپے اور خالص آمدنی 179.83 بلین روپے رہی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 186.4654 روپے فی یونٹ تھی، جبکہ 30 جون 2024 کو یہ 121.4784 روپے فی یونٹ تھی۔ اس طرح منافع کی شرح 53.50 فیصد رہی۔ اسی مدت کے دوران بیچ مارک KSE-100 انڈیکس کا منافع 60.15 فیصد رہا۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 0.87 بلین روپے ہو گیا جو کہ سال کے آغاز میں 0.19 بلین روپے تھا۔

### ایچ بی ایل انرجی فنڈ:

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 426.13 ملین روپے اور خالص آمدنی 351.73 ملین روپے رہی۔ 30 جون 2025 کو فنڈ کی نی یونٹ خالص اثاثہ جاتی قیمت (NAV) 26.7616 روپے فی یونٹ تھی (جس میں 0.50 روپے فی یونٹ منافع شامل ہے)، جبکہ 30 جون 2024 کو یہ 16.9821 روپے فی یونٹ تھی۔ اس طرح منافع کی شرح 60.53 فیصد رہی۔ اسی مدت کے دوران بیچ مارک KSE-30 انڈیکس کا منافع 64.20 فیصد رہا۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 1.83 بلین روپے ہو گیا جو کہ سال کے آغاز میں 0.57 بلین روپے تھا۔

### ایچ بی ایل ملٹی ایسیٹ فنڈ

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران فنڈ کی کل آمدنی 61.74 ملین روپے اور خالص آمدنی 54.25 ملین روپے رہی۔ 30 جون 2025 کو فنڈ کی نی یونٹ خالص اثاثہ جاتی قیمت (NAV) 185.6750 روپے فی یونٹ تھی (جس میں 9.00 روپے فی یونٹ منافع شامل ہے)، جبکہ 30 جون 2024 کو یہ 138.4640 روپے فی یونٹ تھی۔ اس طرح منافع کی شرح 40.59 فیصد رہی۔ اسی مدت کے دوران بیچ مارک انڈیکس (جس میں 60% بیچ مارک برائے ایکویٹی CIS اور 40% بیچ مارک برائے انکم CIS شامل ہے) کا منافع 42.16 فیصد رہا۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 0.15 بلین روپے ہو گیا جو کہ سال کے آغاز میں 0.12 بلین روپے تھا۔

### ایچ بی ایل گروتھ فنڈ:

زیر جائزہ سال کے دوران، فنڈ نے مجموعی طور پر 1.34 بلین روپے کی کل آمدنی اور 1.07 بلین روپے کی خالص آمدنی حاصل کی۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 14.37 بلین روپے ہو گیا۔

ہر کلاس کی کارکردگی کا جائزہ درج ذیل ہے:

### ایچ بی ایل گروتھ فنڈ - کلاس 'اے':

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران ایچ بی ایل گروتھ فنڈ - کلاس 'A' کی کل آمدنی 483.44 ملین روپے اور خالص آمدنی 320.20 ملین روپے رہی۔ 30 جون 2025 کو کلاس 'A' کی نی یونٹ خالص اثاثہ جاتی قیمت (NAV) 42.2869 روپے فی یونٹ تھی (جس میں 1.05 روپے فی یونٹ منافع شامل ہے)، جبکہ 30 جون 2024 کو یہ 19.9485 روپے فی یونٹ تھی۔ اس طرح منافع کی شرح 117.23 فیصد رہی۔ اسی سال کے دوران بیچ مارک KSE-100 انڈیکس کا منافع 60.15 فیصد رہا۔ کلاس 'A' کا حجم 30 جون 2025 کو بڑھ کر 11.99 بلین روپے ہو گیا جو کہ سال کے آغاز میں 5.66 بلین روپے تھا۔

### ایچ بی ایل گروتھ فنڈ - کلاس ”بی“

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران ایچ بی ایل گروتھ فنڈ - کلاس 'B' کی کل آمدنی 860.47 ملین روپے اور خالص آمدنی 751.414 ملین روپے رہی۔ 30 جون 2025 کو کلاس 'B' کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 31.5798 روپے فی یونٹ تھی (جس میں 0.25 روپے فی یونٹ منافع شامل ہے)، جبکہ 30 جون 2024 کو یہ 21.5925 روپے فی یونٹ تھی۔ اس طرح منافع کی شرح 47.41 فیصد رہی۔ اسی سال کے دوران بیچ مارک KSE-100 انڈیکس کا منافع 60.15 فیصد رہا۔ 30 جون 2025 کو کلاس 'B' کا حجم بڑھ کر 2.38 بلین روپے ہو گیا جو کہ سال کے آغاز میں 1.50 بلین روپے تھا۔

### ایچ بی ایل انویسٹمنٹ فنڈ:

جائزہ سال کے دوران فنڈ کی کل آمدنی 492.62 ملین روپے اور خالص آمدنی 389.13 ملین روپے رہی۔ 30 جون 2025 کو فنڈ کا حجم بڑھ کر 5.25 بلین روپے ہو گیا۔

ہر کلاس کی کارکردگی کا جائزہ درج ذیل ہے:

### ایچ بی ایل انویسٹمنٹ فنڈ - کلاس ”اے“:

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران ایچ بی ایل انویسٹمنٹ فنڈ - کلاس 'A' کی کل آمدنی بالترتیب 162.46 ملین روپے اور خالص آمدنی 102.09 ملین روپے رہی۔ 30 جون 2025 کو کلاس 'A' کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 15.2131 روپے فی یونٹ تھی (جس میں 0.33 روپے منافع شامل ہے) جبکہ 30 جون 2024 کو یہ 7.1063 روپے فی یونٹ تھی، یوں اس نے 118.70 منافع حاصل کیا۔ دوران سال بیچ مارک KSE-100 انڈیکس نے 60.15% منافع حاصل کیا۔ 30 جون 2025 کو کلاس 'A' کا حجم بڑھ کر 4.32 بلین روپے ہو گیا جو سال کے آغاز میں 2.02 بلین روپے تھا۔

### ایچ بی ایل انویسٹمنٹ فنڈ - کلاس ”بی“:

30 جون 2025 کو ختم ہونے والے مالی سال کے دوران ایچ بی ایل گروتھ فنڈ - کلاس 'B' کی کل آمدنی بالترتیب 330.16 ملین روپے اور خالص آمدنی 287.04 ملین روپے رہی۔ 30 جون 2025 کو کلاس 'B' کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 14.7076 روپے فی یونٹ تھی (جس میں 0.25 روپے منافع شامل ہے) جبکہ 30 جون 2024 کو یہ 10.3650 روپے فی یونٹ تھی، یوں اس نے \$44.31 منافع حاصل کیا۔ دوران سال بیچ مارک KSE-100 انڈیکس نے 60.15% منافع حاصل کیا۔ 30 جون 2025 کو کلاس 'B' کا حجم بڑھ کر 0.93 بلین روپے ہو گیا جو سال کے آغاز میں 0.69 بلین روپے تھا۔

### ایچ بی ایل فنانشل سیٹراکم فنڈ:

ایچ بی ایل فنانشل سیٹراکم فنڈ نے 8.82 بلین روپے کی کل آمدنی اور 7.90 بلین روپے کی خالص آمدنی حاصل کی۔ 30 جون 2025 تک فنڈ کا مجموعی حجم 20.43 بلین روپے رہا۔

ہر پلان کی کارکردگی درج ذیل ہے:

### ایچ بی ایل فنانشل سیٹراکم فنڈ۔ پلان I:

30 جون 2025 کو ختم ہونے والی مدت کے دوران فنڈ نے 8.10 بلین روپے کی کل آمدنی اور 7.21 بلین روپے کی خالص آمدنی حاصل کی۔ 30 جون 2025 کو فنڈ کی فی یونٹ خالص ایسیٹ ویلیو (NAV) 102.4369 روپے رہی، جو 30 جون 2024 کو 102.0570 روپے تھی، اس طرح 15.32 فیصد سالانہ منافع حاصل ہوا۔ اسی دوران (6 ماہ کے KIBOR کا منافع 75 فیصد اور 6 ماہ کا ڈپازٹ ریٹس 25 فیصد) بیٹج مارک کی آمدنی 13.79 فیصد رہی۔ 30 جون 2025 کو فنڈ کا مجموعی حجم 11.26 بلین روپے رہا، جو سال کے آغاز میں 50.71 بلین روپے تھا۔

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

### ایچ بی ایل فنانشل سیٹراکم فنڈ۔ پلان II:

ایچ بی ایل فنانشل سیٹراکم فنڈ پلان II نے 20 فروری 2024 کو اپنے آپریٹنگز کا آغاز کیا۔ 30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی 721.19 بلین روپے اور خالص آمدنی 690.41 بلین روپے رہی۔ فنڈ کی فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 30 جون 2025 کو 100.0000 روپے فی یونٹ تھی (جس میں فی یونٹ 14.7426 روپے کے منافع کو شامل کیا گیا ہے)، یوں اس نے 15.72% کا سالانہ منافع حاصل کیا۔ اسی مدت میں بیٹج مارک ریٹرن (6 ماہ کے KIBOR کا 75% اور 6 ماہ ڈپازٹ ریٹس کا 25%) 13.79% رہا۔ فنڈ کا حجم 30 جون 2025 کو 9.17 بلین روپے رہا جو سال کے آغاز میں 9.96 بلین روپے تھا۔

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

### ایچ بی ایل محفوظ منافع فنڈ:

ایچ بی ایل محفوظ منافع فنڈ نے 18 مئی 2023 سے مختلف مدت کے لیے اپنی مختلف سرمایہ کاری اسکیمیں متعارف کرائی ہیں۔ 30 جون 2025 تک، اس فنڈ کے تحت درج ذیل پلان موجود ہیں:

### ایچ بی ایل محفوظ منافع فنڈ۔ پلان III:

30 جون 2025 کو ختم ہونے والی مدت کے دوران اس پلان کی کل آمدنی 249.87 ملین روپے اور خالص آمدنی 238.05 ملین روپے رہی۔ 30 جون 2025 کو خالص اثاثے 1.59 بلین روپے رہے جو فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 100.1556 روپے کو ظاہر کرتے ہیں (جس میں فی یونٹ 16.75 روپے کا منافع شامل ہے)، یوں اس کا سالانہ منافع %17.44 رہا جبکہ اسی مدت کے دوران بیچ مارک ریٹرن %18.48 رہا۔

### ایچ بی ایل ٹول ٹریڈری اسکیم ٹریڈ فنڈ:

30 جون 2025 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی 92.78 ملین روپے اور خالص آمدنی 87.39 ملین روپے رہی۔ 30 جون 2025 کو فی یونٹ خالص اثاثہ جاتی قیمت (NAV) 103.2316 روپے رہی (جس میں فی یونٹ 16.00 روپے کا منافع شامل ہے)، یوں اس کا سالانہ منافع %17.23 رہا، جبکہ اسی مدت میں بیچ مارک ریٹرن %17.29 رہا۔ 30 جون 2025 کو فنڈ کا حجم 516 ملین روپے رہا جو کہ سال کے آغاز میں 509 ملین روپے تھا۔

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

### میجمنٹ کمپنی ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے میجمنٹ کمپنی کو دی جانے والی میجمنٹ کو الٹی 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 آڈیٹرز
1	HBL گورنمنٹ سیکورٹیز فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس



۲	HBL کیش فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۳	HBL انرجی فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۴	HBL ٹوٹل ٹریڈری آپکینج ٹریڈ فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۵	HBL ایکویٹی فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۶	HBL ملٹی ایسیٹ فنڈ	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۷	HBL محفوظ منافع فنڈ	BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۸	HBL فنانشل سیکورٹیز فنڈ	BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۹	HBL انکم فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۱۰	HBL منی مارکیٹ فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۱۱	HBL اسٹاک فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۱۲	HBL گروتھ فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری
۱۳	HBL انویسٹمنٹ فنڈ	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	A.F فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس	دوبارہ تقرری

## 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 مینجمر کی سالانہ رپورٹ کے مخصوص حصے میں دیا گیا ہے۔

## اظہار تشکر:

بورڈ اپنے معزز یونٹ ہولڈرز کا تہہ 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 ٹرسٹیز، 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 Money Market Fund**

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL Money Market Fund</b>
<b>NAME OF AUDITOR</b>	<b>A.F. Ferguson &amp; Co.</b>
<b>NAME OF TRUSTEE</b>	<b>Central Depository Company of Pakistan Limited</b>
<b>NAME OF BANKERS</b>	<b>Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqati Bank Limited United Bank Limited Sindh Bank Limited JS Bank Limited Soneri bank limited Dubai Islamic Bank MCB</b>
<b>FUND RATING</b>	<b>AA+(f) (VIS)</b>

**Type and Category of Fund**

Open end Money Market Fund

**Investment Objective and Accomplishment of Objective**

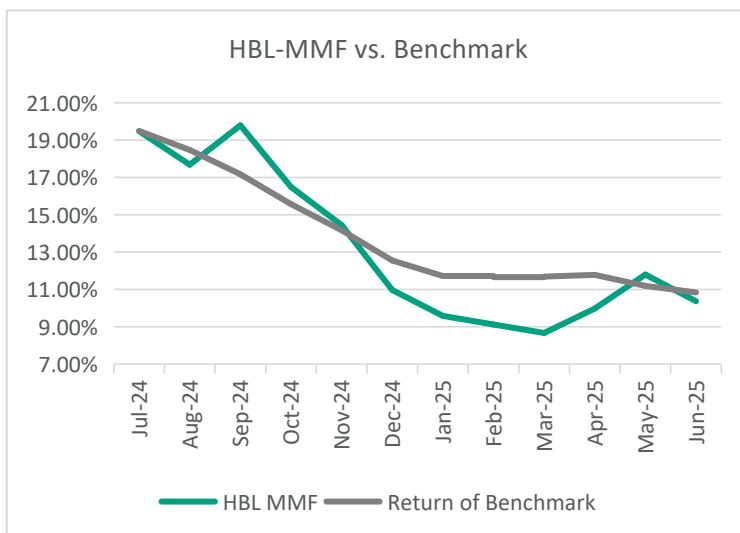
The investment objective of the Fund is to seek high liquidity and competitive return for investors by investing in low risk securities of shorter duration and maturity. The investment objective is achieved.

**Benchmark and Performance Comparison with Benchmark**

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

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

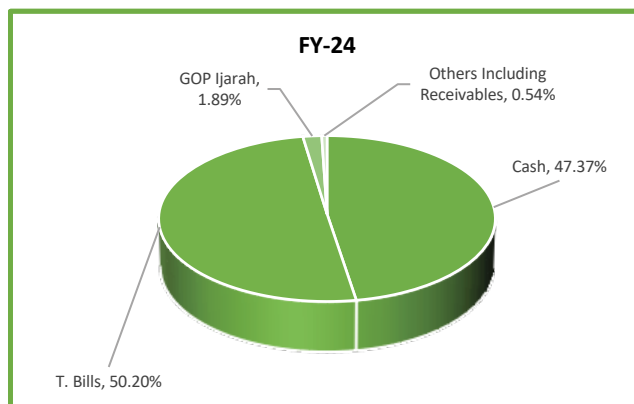
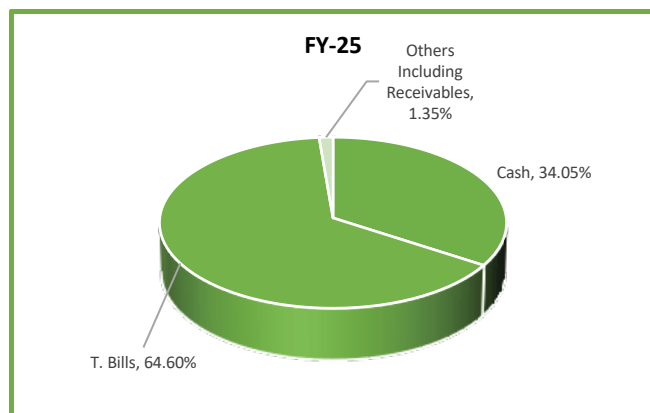
Month	Return of Fund	
	HBL -MMF	Benchmark
Jun-25	10.37%	10.84%
May-25	11.80%	11.19%
Apr-25	9.98%	11.78%
Mar-25	8.67%	11.69%
Feb-25	9.12%	11.66%
Jan-25	9.58%	11.72%
Dec-24	10.97%	12.55%
Nov-24	14.45%	14.17%
Oct-24	16.49%	15.57%
Sep-24	19.79%	17.17%
Aug-24	17.68%	18.47%
Jul-24	19.48%	19.49%



**Strategies and Policies employed during the Year**

During the year, the fund's major investments were in short term Treasury Bills comprising 64.60% of total assets and as placements in DPAs making up 34.05% of total assets. HBL Money Market Fund posted an annualized return (YTD) of 14.05% against the benchmark return of 13.90% in FY25. In-line with the investment policy of the Fund, major investments were in the form of short maturity T-Bills. The fund has negotiated attractive rates with banks which would continue to augment returns.

**Asset Allocation**



## Significant Changes in Asset Allocation during the Year

No major changes were made in asset allocation during the year due to nature of the fund. The fund was majorly invested in short term Government Securities and held cash balance in Daily Product Accounts.

## Fund Performance

The total income and net income of the Fund was Rs. 5.71 billion and Rs. 4.80 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.6024 per unit as on June 30, 2025 (after incorporating dividend of Rs. 14.35 per unit) as compared to Rs. 103.4401 per unit as on June 30, 2024, thereby giving an annualized return of 14.05%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 13.90%. The size of Fund was Rs. 28.52 billion as on June 30, 2025 as compared to Rs.22.48 billion at the start of the year.

## 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.

## Distribution

The Fund has distributed cash dividend up-to Rs. 14.35 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 during the year under review.

### Breakdown of Unit Holding by Size

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	10,167	156,300
101 – 500	1,417	305,815
501 – 1,000	318	227,687
1,001 – 10,000	884	4,288,827
10,001 – 100,000	1,464	53,545,739
500,001 – 1,000,000	75	51,970,821
100,001 – 500,000	352	77,985,338
1,000,001 – 5,000,000	27	52,965,161
5,000,001 and more	4	33,868,089
Total	14,708	275,313,777

### 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 MONEY MARKET FUND**  
As at June 30, 2025

	For the period ended June 30, 2025	For the period ended June 30, 2024	For the period ended June 30, 2023	For the period ended June 30, 2022	For the period ended June 30, 2021	For the period ended June 30, 2020
<b>NET ASSETS AND PRICES</b>						
Net assets at the period end (Rs '000)	28,523,171	22,481,059	13,226,208	15,598,673	12,836,970	9,977,368
Net asset value per unit at the period end/period end(Rs)	103.6024	103.4401	103.0279	102.8274	102.6193	102.3799
Selling price/repurchasing price	104.7938	104.6297	104.1921	103.9893	103.7789	102.3799
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>						
Highest selling price per unit(Rs)	118.9555	126.0011	120.8635	114.1003	110.3250	116.0114
Lowest selling price per unit(Rs)	104.6319	104.1921	103.9898	103.8002	103.5368	103.4401
Highest repurchase price per unit(Rs)	117.6031	124.5932	119.5130	112.8254	109.0923	114.7151
Lowest repurchasing price per unit(Rs)	103.4423	103.0279	102.8278	102.6404	102.7990	102.2843
<b>RETURN ( % )</b>						
Total return	14.05%	21.54%	16.66%	10.26%	6.84%	12.38%
Income distribution	13.89%	21.14%	16.44%	9.78%	6.75%	12.50%
Capital growth	0.16%	0.40%	0.22%	0.48%	0.09%	-0.12%
<b>DISTRIBUTION</b>						
Final dividend distribution	14.35	21.75	16.90	9.78	6.75	12.5
Total dividend distribution for the year/ period	14.35	21.75	16.90	9.78	6.75	12.50
<b>AVERAGE RETURNS ( % )</b>						
Average annual return 1 year	14.05%	21.54%	16.66%	10.26%	6.84%	12.38%
Average annual return 2 year	17.74%	19.08%	13.41%	8.54%	9.57%	10.41%
Average annual return 3 year	17.38%	16.06%	11.18%	9.80%	9.21%	9.07%
Weighted average portfolio during (No. of days)	60	65	55	15	1	33
<b>PORTFOLIO COMPOSITION (%)</b>						
Percentage of Total Assets as at 30 June:						
Bank Balances	35.35%	47.37%	6.10%	86.09%	99.40%	70.74%
T. Bills	64.60%	50.20%	59.91%	0.00%	0.00%	26.31%
Placement with banks & DFIs	0.00%	0.00%	8.01%	0.00%	0.00%	0.00%
Government Securities	0.00%	1.89%	25.05%	0.00%	0.00%	0.00%
Commercial Paper	0.00%	0.00%	0.00%	6.63%	0.00%	3.04%
TFC / Sukuks	0.00%	0.29%	0.00%	5.91%	0.00%	0.00%
Others including Receivables	0.05%	0.26%	0.93%	1.37%	0.60%	0.31%

**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 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 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 29, 2025





**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of HBL Money Market Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HBL 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	<p><b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)</p> <p>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. 10,342.095 million and Rs. 18,903.146 million respectively.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

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

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- 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.  
Chartered Accountants  
Karachi

Dated: September 26, 2025

UDIN: AR202510061wEuLyveG1

**HBL Money Market Fund**  
**Statement of Assets and Liabilities**  
AS AT JUNE 30, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
<b>ASSETS</b>			
Balances with banks	4	10,342,095	10,924,488
Investments	5	18,903,146	12,078,457
Interest / profit accrued	6	4,635	55,433
Advances, deposits and prepayments	7	10,365	3,732
<b>Total assets</b>		29,260,241	23,062,110
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	8	80,433	90,182
Payable to Central Depository Company of Pakistan Limited - Trustee	9	2,185	1,242
Payable to the Securities and Exchange Commission of Pakistan	10	2,590	1,494
Dividend payable		1,731	1,730
Accrued expenses and other liabilities	11	650,131	486,403
<b>Total liabilities</b>		737,070	581,051
<b>NET ASSETS</b>		<u>28,523,171</u>	<u>22,481,059</u>
<b>UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)</b>		<u>28,523,171</u>	<u>22,481,059</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		
		----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	18	<u>275,313,777</u>	<u>217,334,026</u>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<u>103.6024</u>	<u>103.4401</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 Money Market Fund**  
**Income Statement**  
For the year ended June 30, 2025

	Note	2025	2024
----- Rupees in '000 -----			
<b>INCOME</b>			
Interest / profit earned	13	5,312,271	3,583,366
Profit on savings accounts with banks		364,503	734,250
Gain on sale of investments - net		16,246	4,290
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	14,335	14,540
		30,581	18,830
<b>Total income</b>		5,707,355	4,336,446
<b>EXPENSES</b>			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	8.1 & 8.2	820,570	147,700
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	9.1 & 9.2	24,885	12,414
Annual fee to the Securities and Exchange Commission of Pakistan	10.1	29,507	14,942
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh Sales Tax)	8.3	-	110,238
Selling and marketing expenses (including Sindh Sales Tax)	8.4	23,396	141,186
Securities transaction costs		6	1,154
Settlement and bank charges		2,449	381
Auditors' remuneration	14	1,492	1,252
Printing and stationary		127	139
Fees and subscription		323	324
<b>Total expenses</b>		902,755	429,730
<b>Net income for the year before taxation</b>		4,804,600	3,906,716
Taxation	16	-	-
<b>Net income for the year after taxation</b>		4,804,600	3,906,716
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		4,804,600	3,906,716
Income already paid on redemption of units		(3,333,025)	(1,638,797)
		1,471,575	2,267,919
<b>Accounting income available for distribution</b>			
- Relating to capital gain		9,366	12,975
- Excluding capital gain		1,462,209	2,254,944
		1,471,575	2,267,919

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 Money Market Fund**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	2025	2024
	----- Rupees in '000 -----	
Net income for the year after taxation	4,804,600	3,906,716
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>4,804,600</u>	<u>3,906,716</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 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					
<b>Net assets at the beginning of the year</b>	22,315,281	165,778	22,481,059	13,154,188	72,020	13,226,208
Issuance of 1,074,244,686 units (2024: 838,771,960 units)						
- Capital value (at net asset value per unit at the beginning of the year)	111,119,978	-	111,119,978	86,416,914	-	86,416,914
- Element of income	9,362,303	-	9,362,303	7,981,777	-	7,981,777
<b>Total proceeds on issuance of units</b>	120,482,281	-	120,482,281	94,398,691	-	94,398,691
Redemption of 1,016,264,935 units (2024: 749,812,916 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(105,122,547)	-	(105,122,547)	(77,251,650)	-	(77,251,650)
- Element of loss	(8,335,898)	(3,333,025)	(11,668,923)	(6,429,280)	(1,638,797)	(8,068,077)
<b>Total payment on redemption of units</b>	(113,458,445)	(3,333,025)	(116,791,470)	(83,680,930)	(1,638,797)	(85,319,727)
Total comprehensive income for the year	-	4,804,600	4,804,600	-	3,906,716	3,906,716
Final distribution for the year ended June 30, 2025 (cash distribution @ Rs 14.35 per unit declared on June 25, 2025)	-	(1,302,354)	(1,302,354)			
Final distribution for the year ended June 30, 2024 (cash distribution @ Rs 21.75 per unit declared on June 21, 2024)		-	-	-	(2,174,161)	(2,174,161)
Refund of capital	(1,150,945)	-	(1,150,945)	(1,556,668)	-	(1,556,668)
<b>Net income for the year less distribution and refund of capital</b>	(1,150,945)	3,502,246	2,351,301	(1,556,668)	1,732,555	175,887
<b>Net assets at the end of the year</b>	<b>28,188,172</b>	<b>334,999</b>	<b>28,523,171</b>	<b>22,315,281</b>	<b>165,778</b>	<b>22,481,059</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised income		151,238			73,808	
- Unrealised income / (loss)		14,540			(1,788)	
		<u>165,778</u>			<u>72,020</u>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		9,366			12,975	
- Excluding capital gains		1,462,209			2,254,944	
		<u>1,471,575</u>			<u>2,267,919</u>	
Distribution during the year		(1,302,354)			(2,174,161)	
Undistributed income carried forward		<u>334,999</u>			<u>165,778</u>	
<b>Undistributed income carried forward comprising of:</b>						
- Realised income		320,664			151,238	
- Unrealised income		14,335			14,540	
		<u>334,999</u>			<u>165,778</u>	
			(Rupees)			(Rupees)
<b>Net asset value per unit at the beginning of the year</b>			<u>103.4401</u>			<u>103.0279</u>
<b>Net asset value per unit at the end of the year</b>			<u>103.6024</u>			<u>103.4401</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 Money Market Fund**  
**Cash Flow Statement**  
For the year ended June 30, 2025

	Note	2025	2024
		----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		4,804,600	3,906,716
<b>Adjustments for:</b>			
Interest / profit earned	13	(5,312,271)	(3,583,366)
Profit on savings accounts with banks		(364,503)	(734,250)
Gain on sale of investments - net		(16,246)	(4,290)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	(14,335)	(14,540)
		(902,755)	(429,730)
<b>Increase in assets</b>			
Investments - net		(2,457,114)	(7,222,822)
Advances, deposits and prepayments		(6,633)	(3,627)
		(2,463,747)	(7,226,449)
<b>Increase / (decrease) in liabilities</b>			
Payable to HBL Asset Management Limited - Management Company		(9,749)	49,519
Payable to Central Depository Company of Pakistan Limited - Trustee		943	496
Payable to the Securities and Exchange Commission of Pakistan		1,096	(1,320)
Accrued expenses and other liabilities		163,728	190,437
		156,018	239,132
Profit received on bank deposits		410,154	729,267
Interest received on investments		5,317,418	3,651,643
<b>Net cash generated from / (used in) operating activities</b>		2,517,088	(3,036,137)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		120,482,281	94,398,691
Payment against redemption and conversion of units		(116,791,470)	(85,483,507)
Refund of capital		(1,150,945)	(1,556,668)
Cash dividend paid		(1,302,353)	(2,232,541)
<b>Net cash generated from financing activities</b>		1,237,513	5,125,975
<b>Net increase in cash and cash equivalents during the year</b>		3,754,601	2,089,839
Cash and cash equivalents at beginning of the year		12,319,573	10,229,734
<b>Cash and cash equivalents at end of the year</b>	17	16,074,174	12,319,573

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 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 the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on March 18, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 9, 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 was registered under the Sindh Trust Act.

**B** The Management Company of the Fund has been registered as Non-Banking Finance Company (NBFC) under 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 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. The units of the Fund were initially offered for public subscription at par from July 12, 2010 to July 14, 2010.

**1.4** The principal objective of the Fund is to seek high liquidity and competitive return for investors by investing in low risk securities of shorter duration and maturity.

**1.5** VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating at 'AM1' dated December 31, 2024 (2024: 'AM1' dated December 29, 2023) and the outlook on the assigned rating remains 'Stable' (2024: 'Stable') and the Fund stability rating has been reaffirmed at AA+(f) dated March 3, 2025 (2024 : AA+(f) dated January 2, 2024). The rating reflects the Management Company's adequate corporate governance framework with a well structured Board and Committees, experienced management team and adherence to best governance practices, deriving sustained growth.

**1.6** The 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 Statements 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 Regulation) 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.

## **2.2 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.

## **2.3 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 date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## **2.4 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 judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates, judgements 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 judgements 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 3.3 and 5) and provision for Federal excise duty (note 11.1).

## **2.5 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 have been disclosed in note 22.

## **2.6 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.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1** The principal 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.

### **3.2 Cash and cash equivalents**

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

### **3.3 Financial assets**

#### **3.3.1 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.

#### **3.3.2 Classification and subsequent measurement**

##### **Debt instrument**

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.

#### **3.3.3 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.

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.

### **3.3.4 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.

### **3.3.5 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.

### **3.3.6 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.

## **3.4 Financial liabilities**

### **3.4.1 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.

### **3.4.2 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.

## **3.5 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.

### **3.6 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.

### **3.7 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.

### **3.8 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management company / distributors during business hours of the day when the application is received. The offer price represents the net assets value 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. 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 on that date. The redemption price represents the net assets value per unit on the close of the business day less back end load, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### **3.9 Distribution 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.

### **3.10 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 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 will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### **3.11 Revenue recognition**

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Income from investments in corporate sukuk certificates, government securities and letter of placements is recognised on an accrual basis using effective interest method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis;

- 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; and
- Interest income on bank deposits is recognised on time proportion basis using the effective yield method.

### 3.12 Expenses

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

### 3.13 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 percent 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.

	Note	2025	2024
----- Rupees in '000 -----			
<b>4 BALANCES WITH BANKS</b>			
Savings accounts	4.1	<u>10,342,095</u>	<u>10,924,488</u>

4.1 These include a balance of Rs. 2,204.271 million (2024: Rs. 10,917.597 million) with Habib Bank Limited (a related party) and this account carries profit at the rate of 11.5% (2024: 17.5% to 22.5%). Other savings accounts of the Fund carry profit at the rates ranging from 9% to 10.95% (2024: 19.5% to 22.65%) per annum.

	Note	2025	2024
----- Rupees in '000 -----			
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
- Government securities - Market Treasury Bills	5.1	18,903,146	11,577,700
- GOP Ijarah Sukuk	5.2	-	434,757
- Letter of placements	5.3	-	-
- Corporate sukuk certificates	5.4	-	66,000
		<u>18,903,146</u>	<u>12,078,457</u>

#### 5.1 Government securities - Market Treasury Bills

Name of the security	Issue date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2024	Purchased during the year	Disposed of / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised (diminution) / appreciation	total investments	net assets
<b>Market Treasury Bills - 1 - month</b>										
Market treasury bills	April 3, 2025	-	900,000	900,000	-	-	-	-	-	-
Market treasury bills	May 15, 2025	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	April 17, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	May 29, 2025	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	June 12, 2025	-	2,350,000	500,000	1,850,000	1,844,959	1,844,922	(37)	9.76%	6.47%
Market treasury bills	June 26, 2025	-	500,000	-	500,000	496,563	496,490	(73)	2.63%	1.74%
<b>Market Treasury Bills - 3 - months</b>										
Market treasury bills	May 2, 2024	925,000	548,415	1,473,415	-	-	-	-	-	-
Market treasury bills	June 13, 2024	500,000	282,000	782,000	-	-	-	-	-	-
Market treasury bills	July 11, 2024	-	1,200,000	1,200,000	-	-	-	-	-	-
Market treasury bills	July 25, 2024	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	August 22, 2024	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	October 31, 2024	-	4,500,000	4,500,000	-	-	-	-	-	-

	Issue date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2024	Purchased during the year	Disposed of / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised (diminution) / appreciation	total investments net assets	
----- (%) -----										
<b>Market Treasury Bills - 3 - months</b>										
Market treasury bills	November 28, 2024	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	December 12, 2024	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	December 26, 2024	-	17,460,000	17,460,000	-	-	-	-	-	
Market treasury bills	January 9, 2025	-	180,000	180,000	-	-	-	-	-	
Market treasury bills	March 20, 2025	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	January 9, 2025	-	250,000	250,000	-	-	-	-	-	
Market treasury bills	January 23, 2025	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	February 6, 2025	-	750,000	750,000	-	-	-	-	-	
Market treasury bills	April 17, 2025	-	3,400,000	-	3,400,000	3,390,732	3,390,667	(65)	17.94% 11.89%	
Market treasury bills	May 2, 2025	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	May 15, 2025	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	May 29, 2025	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	June 12, 2025	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	June 26, 2025	-	500,000	500,000	-	-	-	-	-	
<b>Market Treasury Bills - 6 - months</b>										
Market treasury bills	April 4, 2024	-	2,255,970	2,255,970	-	-	-	-	-	
Market treasury bills	April 18, 2024	450,000	-	450,000	-	-	-	-	-	
Market treasury bills	May 16, 2024	-	7,000,000	7,000,000	-	-	-	-	-	
Market treasury bills	May 30, 2024	-	1,700,000	1,700,000	-	-	-	-	-	
Market treasury bills	July 11, 2024	-	250,000	250,000	-	-	-	-	-	
Market treasury bills	July 11, 2024	-	2,000,000	2,000,000	-	-	-	-	-	
Market treasury bills	July 25, 2024	-	250,000	250,000	-	-	-	-	-	
Market treasury bills	August 22, 2024	-	1,250,000	1,250,000	-	-	-	-	-	
Market treasury bills	September 5, 2024	-	3,500,000	3,500,000	-	-	-	-	-	
Market treasury bills	October 3, 2024	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	October 17, 2024	-	8,750,000	8,750,000	-	-	-	-	-	
Market treasury bills	October 31, 2024	-	4,985,000	4,985,000	-	-	-	-	-	
Market treasury bills	November 14, 2024	-	5,500,670	5,500,670	-	-	-	-	-	
Market treasury bills	November 28, 2024	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	December 12, 2024	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	December 26, 2024	-	500,000	500,000	-	-	-	-	-	
Market treasury bills	January 9, 2025	-	4,500,000	4,500,000	-	-	-	-	-	
Market treasury bills	January 23, 2025	-	1,500,000	1,500,000	-	-	-	-	-	
Market treasury bills	February 6, 2025	-	2,000,000	2,000,000	-	-	-	-	-	
Market treasury bills	March 6, 2025	-	9,656,000	9,656,000	-	-	-	-	-	
Market treasury bills	March 20, 2025	-	500,000	-	500,000	488,065	488,336	271	2.58% 1.71%	
Market treasury bills	April 17, 2025	-	4,000,000	-	4,000,000	3,867,653	3,875,184	7,531	20.50% 13.59%	
Market treasury bills	May 2, 2025	-	2,532,025	-	2,532,025	2,437,317	2,443,186	5,869	12.92% 8.57%	
Market treasury bills	May 15, 2025	-	500,000	-	500,000	480,306	480,538	232	2.54% 1.68%	
Market treasury bills	May 29, 2025	-	500,000	-	500,000	478,508	478,642	134	2.53% 1.68%	
Market treasury bills	June 12, 2025	-	1,500,000	-	1,500,000	1,430,523	1,430,298	(225)	7.57% 5.01%	
Market treasury bills	June 26, 2025	-	500,000	500,000	-	-	-	-	-	
<b>Market Treasury Bills - 1 - year</b>										
Market treasury bills	October 19, 2023	3,000,000	9,265,820	12,265,820	-	-	-	-	-	
Market treasury bills	November 2, 2023	5,070,000	7,535,000	12,605,000	-	-	-	-	-	
Market treasury bills	November 16, 2023	354,880	2,085,000	2,439,880	-	-	-	-	-	
Market treasury bills	November 30, 2023	2,000,000	-	2,000,000	-	-	-	-	-	
Market treasury bills	November 30, 2023	-	4,738,235	4,738,235	-	-	-	-	-	
Market treasury bills	December 14, 2023	-	9,000,300	9,000,300	-	-	-	-	-	
Market treasury bills	December 28, 2023	-	16,050,000	16,050,000	-	-	-	-	-	
Market treasury bills	April 4, 2024	-	1,320,000	1,320,000	-	-	-	-	-	
Market treasury bills	April 18, 2024	-	1,875,000	1,875,000	-	-	-	-	-	
Market treasury bills	May 30, 2024	-	5,000,000	5,000,000	-	-	-	-	-	
Market treasury bills	June 13, 2024	-	4,000,000	4,000,000	-	-	-	-	-	
Market treasury bills	July 11, 2024	-	4,946,500	4,946,500	-	-	-	-	-	
Market treasury bills	July 25, 2024	-	3,300,000	3,300,000	-	-	-	-	-	
Market treasury bills	August 8, 2024	-	3,500,000	3,500,000	-	-	-	-	-	
Market treasury bills	August 22, 2024	-	1,650,000	1,650,000	-	-	-	-	-	
Market treasury bills	September 5, 2024	-	1,000,000	1,000,000	-	-	-	-	-	
Market treasury bills	October 3, 2024	-	1,500,000	120,000	1,380,000	1,341,158	1,342,356	1,198	7.10% 4.71%	
Market treasury bills	November 28, 2024	-	2,750,000	-	2,750,000	2,633,027	2,632,527	(500)	13.93% 9.23%	
<b>Total as at June 30, 2025</b>		<b>12,299,880</b>	<b>186,215,935</b>	<b>179,103,790</b>	<b>19,412,025</b>	<b>18,888,811</b>	<b>18,903,146</b>	<b>14,335</b>		
<b>Total as at June 30, 2024</b>		<b>8,550,000</b>	<b>246,142,950</b>	<b>242,393,070</b>	<b>12,299,880</b>	<b>11,565,982</b>	<b>11,577,700</b>	<b>11,718</b>		

**5.1.1** These carry yield ranging from 10.93% and 12% per annum. These have maturities upto December 11, 2025.



## 5.2 GOP Ijarah Sukuk

Name of the security	Issue date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2024	Purchased during the year	Disposed of / 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)	total investments	net assets
Ijarah Sukuk - P01GIS250425	April 26, 2024	500,000		500,000	-	-	-	-	-	-
<b>Total as at June 30, 2025</b>										
<b>Total as at June 30, 2024</b>					<b>431,935</b>	<b>434,757</b>	<b>2,822</b>			

----- (%) -----

## 5.3 Letter of placements

Name of investee company	Maturity date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 01, 2024	Purchased during the year	Disposed of / 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)	total investments	net assets
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	July 19, 2024	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	July 19, 2024	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	July 19, 2024	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	July 26, 2024	-	1,800,000	1,800,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	August 2, 2024	-	500,000	500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	August 2, 2024	-	2,008,855	2,008,855	-	-	-	-	-	-
Pak Brunei Investment Company Limited	August 16, 2024	-	2,024,496	2,024,496	-	-	-	-	-	-
Pak Brunei Investment Company Limited	August 22, 2024	-	2,039,522	2,039,522	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 8, 2024	-	1,500,000	1,500,000	-	-	-	-	-	-
United Bank Limited	December 16, 2024	-	3,800,000	3,800,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	December 17, 2024	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	December 17, 2024	-	4,000,000	4,000,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	December 20, 2024	-	1,900,000	1,900,000	-	-	-	-	-	-
United Bank Limited	January 2, 2025	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 10, 2025	-	500,000	500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 16, 2025	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 17, 2025	-	1,200,000	1,200,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 22, 2025	-	1,920,000	1,920,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 23, 2025	-	1,920,679	1,920,679	-	-	-	-	-	-
Pak Oman Investment Company Limited	January 24, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	January 28, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	March 21, 2025	-	2,300,000	2,300,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company (Private) Limited	April 4, 2025	-	1,650,000	1,650,000	-	-	-	-	-	-
Pakistan Mortgage Re-Finance Company	April 22, 2025	-	2,000,000	2,000,000	-	-	-	-	-	-
Pakistan Mortgage Re-Finance Company	April 24, 2025	-	975,000	975,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	April 24, 2025	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	April 25, 2025	-	2,000,000	2,000,000	-	-	-	-	-	-
Pakistan Mortgage Re-Finance Company	April 25, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	May 6, 2025	-	2,000,000	2,000,000	-	-	-	-	-	-
<b>Total as at June 30, 2025</b>										
<b>Total as at June 30, 2024</b>										

----- % -----

5.4 Corporate sukuk certificates

Name of Investee Company	Rate of return	Maturity date	As at July 1, 2024	Purchased during the year	Sales / redemptions during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Percentage in relation to		
			Number of certificates			Rupees in '000		%		total investments	net assets
<b>Pharmaceuticals</b>											
OBS Pharma (Private) Limited (February 29, 2024) Face value: Rs. 1,000,000	23.14%	August 29, 2024	66	-	66	-	-	-	-	-	
<b>Total as at June 30, 2025</b>							-	-			
<b>Total as at June 30, 2024</b>							66,000	66,000			

5.5 **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	5.1, 5.2, 5.3 & 5.4	18,903,146	12,078,457
Less: carrying value of investments	5.1, 5.2, 5.3 & 5.4	(18,888,811)	(12,063,918)
		14,335	14,540

6 **INTEREST / PROFIT ACCRUED**

Interest / profit accrued on:

Balances with banks		4,635	50,286
Corporate sukuk certificates		-	5,147
		4,635	55,433

7 **ADVANCES, DEPOSITS AND PREPAYMENTS**

Security deposit with:

- Central Depository Company of Pakistan Limited		100	100
Prepayments of fund rating and listing fee		118	48
Advance tax	7.1	10,147	3,584
		10,365	3,732

7.1 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 the current year and 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 10.147 million (2024: Rs. 3.584 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 in the opinion of the Management Company, the amount of tax deducted at source will be refunded.

8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025	2024
			----- Rupees in '000 -----	
	Remuneration payable	8.1	60,427	19,979
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	9,064	2,597
	Allocation of expenses related to registrar services, accounting, operation and valuation services payable	8.3	-	-
	Selling and marketing expense payable	8.4	-	63,091
	Sales load payable		10,942	4,515
			<u>80,433</u>	<u>90,182</u>

**8.1** 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 1.5% to 1.75% (2024: 0.5% to 1%) 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, introduced 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.

**8.2** 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 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.

**8.3** 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: upto 1.05% of the daily net assets of the scheme for allocation of such expenses to 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 such expenses were charged to the Fund in this respect during the year.

**8.4** 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 charged selling and marketing expenses at the rates ranging from 0% to 0.7% (2024: 0% to 1.42%) during the year ended June 30, 2025 while keeping in view the overall return and Total Expense Ratio Limit of the Fund as defined under 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 such expenses were charged after April 10, 2025 in this respect.

	Note	2025	2024
		----- Rupees in '000 -----	
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>		
	Remuneration payable to the Trustee	1,900	1,099
	Sindh Sales Tax payable on remuneration of the Trustee	285	143
		<u>2,185</u>	<u>1,242</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 daily net assets of the Fund. The remuneration is payable 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.

**9.2** 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.

	Note	2025	2024
		----- (Rupees in '000) -----	
<b>10</b>	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		
	Fee payable	2,590	1,494

**10.1** 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).

Accordingly, the Fund has charged the 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 the SECP fee within fifteen days of the close of every calendar month.

	Note	2025	2024
		----- Rupees in '000 -----	
<b>11</b>	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
	Provision for federal excise duty	41,211	41,211
	Auditors' remuneration payable	646	688
	Withholding tax payable	310,072	380,333
	Capital gain tax payable	296,127	62,701
	Zakat payable	1,633	1,063
	Brokerage payable	442	407
		<u>650,131</u>	<u>486,403</u>

**11.1** 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 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. 41.211 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 per unit of the Fund would have been higher by Re 0.15 (2024: Re. 0.19) per unit.

## 12 CONTINGENCIES AND COMMITMENTS

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

13 INTEREST / PROFIT EARNED	2025	2024
	----- Rupees in '000 -----	
Interest / profit on:		
Government securities- Market Treasury Bills	5,105,789	3,273,724
Corporate sukuk certificates	2,448	5,147
Letter of placements	135,969	289,420
GOP Ijarah	68,065	15,075
	5,312,271	3,583,366

14 AUDITORS' REMUNERATION	2025	2024
	----- (Rupees in '000) -----	
Annual audit fee	560	467
Half yearly review	373	311
Certification and other services	299	264
Out of pocket expenses	140	117
Sindh Sales Tax	120	93
	1,492	1,252

## 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 2.34% (2024: 1.99%) which includes 0.36% (2024: 0.17%) 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 categorized 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 Total Expense Ratio Caps (TER) with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 to 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.

17	CASH AND CASH EQUIVALENT	Note	2025	2024
			----- (Rupees in '000) -----	
	Balances with banks in savings accounts	4	10,342,095	10,924,488
	Government securities - Market Treasury Bills	5.1	5,732,079	1,395,085
			<u>16,074,174</u>	<u>12,319,573</u>
			2025	2024
18	NUMBER OF UNITS IN ISSUE		----- Number of units -----	
	Units in issue at the beginning of the year		217,334,026	128,374,982
	Add: units issued during the year		1,074,244,686	838,771,960
	Less: units redeemed during the year		(1,016,264,935)	(749,812,916)
	Total units in issue at the end of the year		<u>275,313,777</u>	<u>217,334,026</u>

**19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

**19.1** Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, the Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

**19.3** 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 the terms determined in accordance with market rates.

**19.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

**19.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

19.6 Details of the transactions during the year and balances at year end with connected persons / related parties are as follows:

19.7 Transactions during the year

	2025	2024
	----- Rupees in '000 -----	
<b>HBL Asset Management Limited - Management Company</b>		
Management remuneration including sales tax thereon	-	147,700
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	110,238
Selling and marketing expenses	23,396	141,186
Issuance of 1,872,894 units (2024: 336,135 units)	200,702	35,000
Redemption of 1,872,894 units (2024: 336,135 units)	220,124	35,020
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	1,689	139
Profit earned on bank deposits	234,611	34,500
Purchase of Market Treasury Bills	6,804,989	41,321,567
Sale of Market Treasury Bills	29,071,881	44,303,857
Purchase of Pakistan Investment Bonds	-	13,799,970
Sale of Pakistan Investment Bonds	-	13,819,475
<b>HBL Micro Finance Bank Limited - Associated Undertaking</b>		
Purchase of Market Treasury Bills	1,403	-
Sale of Market Treasury Bills	2,989,629	124,050
<b>Habib Bank Limited - Treasury Division</b>		
Issuance of 323 units (2024: nil units)	36	-
Redemption of 323 units (2024: nil units)	38	-
<b>HBL Asset Management Limited Employees</b>		
<b>Gratuity Fund - Associated Undertaking</b>		
Dividend paid	429	536
Issuance of 72 units (2024: 5,200 units)	8	660
<b>HBL Asset Management Limited Employees</b>		
<b>Provident Fund - Associated Undertaking</b>		
Dividend paid	2,296	1,864
Issuance of 56,235 units (2024: 18,090 units)	6,028	1,864
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative</b>		
<b>Allocation Plan - Associated Undertaking</b>		
Redemption of nil units (2024: 15,028 units)	-	1,669
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee's remuneration including sales tax thereon	-	12,414
<b>CDC Trustee HBL Government Securities Fund -</b>		
<b>Fund under common management</b>		
Purchase of Market Treasury Bills	-	107,588
<b>CDC Trustee HBL Pension Fund - Fund under common management</b>		
Purchase of Market Treasury Bills	210	1,098,880

	2025	2024
	----- Rupees in '000 -----	
<b>CDC Trustee HBL - Total Treasury Exchange Traded Fund - Fund under common management</b>		
Purchase of Market Treasury Bills	<u>372</u>	<u>570,968</u>
<b>CDC Trustee HBL Financial Sector Income Fund - Fund under common management</b>		
Purchase of Market Treasury Bills	<u>300</u>	<u>349,374</u>
<b>CDC Trustee HBL KPK Pension - Money Market Sub Fund - Fund under common management</b>		
Purchase of Market Treasury Bills	<u>9</u>	<u>-</u>
<b>CDC Trustee HBL Cash Fund - Fund under common management</b>		
Purchase of Market Treasury Bills	<u>2,260</u>	<u>1,958,853</u>
Sale of Market Treasury Bills	<u>950</u>	<u>1,306,811</u>
<b>Jubilee Life Insurance Company Limited - Common Directorship</b>		
Purchase of Market Treasury Bills	<u>-</u>	<u>1,721,087</u>
<b>Directors, executives and key management personnel</b>		
Issuance of 3,012,258 units (2024: 457,163 units)	<u>343,099</u>	<u>49,905</u>
Redemption of 3,100,085 units (2024: 296,695 units)	<u>352,175</u>	<u>33,046</u>
Dividend paid	<u>3,383</u>	<u>1,585</u>
<b>Muhammad Arshad *</b>		
<b>Connected Person - due to holding more than 10%</b>		
Redemption of nil units (2024: 209,878 units)	<u>-</u>	<u>3,121</u>
<b>Riaz Textile Mills (Private) Limited *</b>		
<b>Connected Person - due to holding more than 10%</b>		
Redemption of nil units (2024: 36,534 units)	<u>-</u>	<u>3,770</u>
<b>Saleem Majidulla*</b>		
<b>Connected Person - due to holding more than 10%</b>		
Redemption of nil units (2024: 200 units)*	<u>-</u>	<u>25</u>
<b>Amjad Maqsood*</b>		
<b>Connected Person - due to holding more than 10%</b>		
Issuance of nil units (2024: 3,212 units)	<u>-</u>	<u>322</u>
Redemption of nil units (2024: 17,847 units)	<u>-</u>	<u>2,050</u>
Dividend paid	<u>-</u>	<u>379</u>
<b>Rafiuddin Zakir Mahmood*</b>		
<b>Connected Person - due to holding more than 10%</b>		
Issuance of nil units (2024: 2,087 units)	<u>-</u>	<u>230</u>
Dividend paid	<u>-</u>	<u>23</u>
<b>Ibrahim Holdings (Private) Limited*</b>		
<b>Connected Person - due to holding more than 10%</b>		
Issuance of nil units (2024: 43,226 units)	<u>-</u>	<u>4,991</u>
Redemption of nil units (2024: 43,226 units)	<u>-</u>	<u>5,019</u>



**19.8 Balance outstanding as at year end**

	2025	2024
	----- Rupees in '000 -----	
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company including sales tax thereon	69,491	22,576
Sales load payable	10,942	4,515
Selling and marketing expense payable	-	63,091
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	2,204,271	10,917,597
Profit accrued on bank deposits	4,536	1,837
<b>HBL Asset Management Limited Employees Gratuity Fund - Associated Undertaking</b>		
Outstanding: 34,059 units (2024: 29,837 units)	3,529	3,086
<b>HBL Asset Management Limited Employees Provident Fund - Associated Undertaking</b>		
Outstanding: 182,215 units (2024: 103,783 units)	18,878	10,713
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to trustee including sales tax thereon	2,185	1,242
<b>Directors, executives and key management personnel</b>		
Outstanding: 161,717 units (2024: 217,003 units)	16,754	22,447
<b>Amjad Maqsood*</b>		
<b>Connected Person - due to holding more than 10%</b>		
Outstanding: 12,933 units (2024: 20,610 units)	-	2,132
<b>Rafiuddin Zakir Mahmood*</b>		
<b>Connected Person - due to holding more than 10%</b>		
Outstanding: nil units (2024: 2,087 units)	-	216

\* Counter party is not a related party as at June 30, 2025

**20 FINANCIAL INSTRUMENTS BY CATEGORY**

	-----2025-----		
	At amortised cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----		
<b>Financial assets</b>			
Balances with banks	10,342,095	-	10,342,095
Investments	-	18,903,146	18,903,146
Interest / profit accrued	4,635	-	4,635
Deposit	100	-	100
	<u>10,346,830</u>	<u>18,903,146</u>	<u>29,249,976</u>
<b>Financial liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	80,433	-	80,433
Payable to Central Depository Company of Pakistan Limited - Trustee	2,185	-	2,185
Dividend payable	1,731	-	1,731
Accrued expenses and other liabilities	1,088	-	1,088
	<u>85,437</u>	<u>-</u>	<u>85,437</u>

**Financial assets**

Balances with banks  
Investments  
Interest / profit accrued  
Deposit

-----2024-----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
10,924,488	-	10,924,488
-	12,078,457	12,078,457
55,433	-	55,433
100	-	100
<u>10,980,021</u>	<u>12,078,457</u>	<u>23,058,478</u>

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Dividend payable  
Accrued expenses and other liabilities

-----2024-----		
At amortised cost	At fair value through profit or loss	Total
----- Rupees in '000 -----		
90,182	-	90,182
1,242	-	1,242
1,730	-	1,730
1,095	-	1,095
<u>94,249</u>	<u>-</u>	<u>94,249</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: yield / interest rate risk, currency risk, and price risk.

(i) 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 its balances held with banks and investments in Market Treasury Bills. 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 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 income for the year and net assets of the Fund would have been higher / lower by Rs. 103.421 million (2024: Rs. 109.245 million).

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund holds Market Treasury Bills which are classified as financial assets at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Markets Association of Pakistan for Market Treasury Bills 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 189.031 million (2024: Rs. 120.785 million).

The composition of the Fund's investment portfolio, KIBOR 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 interest rates.

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

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

Effective interest rate / yield	2025				Total	
	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					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Balances with banks	9% to 11.5%	10,342,095	-	-	-	10,342,095
Investments	10.93% to 12%	5,732,079	13,171,067	-	-	18,903,146
Interest / profit accrued		-	-	-	4,635	4,635
Deposit		-	-	-	100	100
		16,074,174	13,171,067	-	4,735	29,249,976
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company		-	-	-	80,433	80,433
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,185	2,185
Dividend payable		-	-	-	1,731	1,731
Accrued expenses and other liabilities		-	-	-	1,088	1,088
		-	-	-	85,437	85,437
<b>On-balance sheet gap (a)</b>		16,074,174	13,171,067	-	(80,702)	29,164,539
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a-b)</b>		16,074,174	13,171,067	-		
<b>Cumulative interest rate sensitivity gap</b>		16,074,174	29,245,241	29,245,241		

Effective interest rate / yield	2024				Total	
	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					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Balances with banks	17.5% to 22.65%	10,924,488	-	-	-	10,924,488
Investments	19.99% to 23.5%	1,461,085	10,617,372	-	-	12,078,457
Interest / profit accrued		-	-	-	55,433	55,433
Deposit		-	-	-	100	100
		12,385,573	10,617,372	-	55,533	23,058,478
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company		-	-	-	90,182	90,182
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,242	1,242
Dividend payable		-	-	-	1,730	1,730
Accrued expenses and other liabilities		-	-	-	1,095	1,095
		-	-	-	94,249	94,249
<b>On-balance sheet gap (a)</b>		<u>12,385,573</u>	<u>10,617,372</u>	<u>-</u>	<u>(38,716)</u>	<u>22,964,229</u>
<b>Off-balance sheet financial instruments</b>						
<b>Off-balance sheet gap (b)</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total interest rate sensitivity gap (a-b)</b>		<u>12,385,573</u>	<u>10,617,372</u>	<u>-</u>		
<b>Cumulative interest rate sensitivity gap</b>		<u>12,385,573</u>	<u>23,002,945</u>	<u>23,002,945</u>		

## (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 yield / 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.

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 redemptions of its redeemable units on a regular basis. 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 either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

As per 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 up to 90 days and would be secured by the assets of the Fund.

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 ended June 30, 2025.

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 1 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 5 years	Financial instruments with no fixed maturity	Total

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

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company	80,433	-	-	-	-	80,433
Payable to the Central Depository Company of Pakistan Limited - Trustee	2,185	-	-	-	-	2,185
Dividend payable	1,731	-	-	-	-	1,731
Accrued expenses and other liabilities	442	646	-	-	-	1,088
	84,791	646	-	-	-	85,437

-----2024-----						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total

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

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company	90,182	-	-	-	-	90,182
Payable to the Central Depository Company of Pakistan Limited - Trustee	1,242	-	-	-	-	1,242
Dividend payable	1,730	-	-	-	-	1,730
Accrued expenses and other liabilities	407	688	-	-	-	1,095
	93,561	688	-	-	-	94,249

**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			
Balances with banks	10,342,095	10,342,095	10,924,488	10,924,488
Investments in government securities	18,903,146	-	12,012,457	-
Investments in debt instruments	-	-	66,000	66,000
Interest / profit accrued	4,635	4,635	55,433	55,433
Deposit	100	100	100	100
	<u>29,249,976</u>	<u>10,346,830</u>	<u>23,058,478</u>	<u>11,046,021</u>

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, 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	7.77%	48.59%
AA+	28.49%	0.00%
AA	0.00%	0.00%
AA-	0.00%	0.00%
	<u>36.26%</u>	<u>48.59%</u>

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.

### 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 are unsecured and are not impaired.

## 22 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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:

	2025			Total
	Level 1	Level 2	Level 3	
<b>Financial assets 'at fair value through profit or loss'</b>	----- (Rupees) -----			
Government securities - Market Treasury Bills	-	18,903,146	-	18,903,146
	-	18,903,146	-	18,903,146
	2024			Total
	Level 1	Level 2	Level 3	
<b>Financial assets 'at fair value through profit or loss'</b>	----- (Rupees) -----			
Government securities - Market Treasury Bills	-	11,577,700	-	11,577,700
Corporate Sukuk Certificates	-	66,000	-	66,000
GOP Ijarah Sukuk	-	434,757	-	434,757
	-	12,078,457	-	12,078,457

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

Item	Valuation technique
Government of Pakistan - Ijarah sukus - PSX Listed	The fair value of GoP Ijarah sukus listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange.
Market Treasury Bills	The valuation has been derived from PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through MUFAP.
Corporate sukuk certificates	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

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 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, 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. UNIT HOLDING PATTERN OF THE FUND

-----As at June 30, 2025-----				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
Associated undertakings	2	5,563	576	0.00%
Trusts	27	1,410,253	146,106	0.51%
Insurance companies	4	6,789	703	0.00%
NBFCs	-	-	-	0.00%
Retirement funds	30	3,260,323	337,777	1.18%
Other corporate	256	33,909,325	3,513,087	12.32%
Individuals	14,308	234,630,215	24,308,253	85.22%
Foreign investor	81	2,091,309	216,669	0.76%
	<u>14,708</u>	<u>275,313,777</u>	<u>28,523,171</u>	<u>100%</u>

-----As at June 30, 2024-----				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
Associated undertakings	2	133,620	13,822	0.09%
Trusts	27	811,608	83,953	0.19%
Insurance companies	10	671,949	69,508	1.11%
NBFCs	1	14,319	1,482	0.01%
Retirement funds	36	3,334,217	344,893	2.15%
Other corporate	235	43,143,578	4,462,776	18.26%
Individuals	11,317	167,955,760	17,373,362	76.66%
Foreign investor	53	1,268,974	131,263	1.53%
	<u>11,681</u>	<u>217,334,026</u>	<u>22,481,059</u>	<u>100%</u>



**25. LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

-----2025-----	-----2024-----
Name of broker	Name of broker
Alfalsh Securities (Private) Limited	Alfalsh CLSA Securities (Private) Limited
AKD Securities Limited	C & M Management (Private) Limited
Currency Market Associates (Pvt) Ltd	Bright Capital (Private) Limited
Continental Exchange (Pvt) Ltd.	Icon Securities (Private) Limited
Invest One Market Ltd	Optimus Markets (Private) Limited
Icon Management Pvt Ltd.	BMA Capital Management Limited
Arif Habib Limited	Arif Habib Limited
BMA Capital Management Limited	Paramount Capital (Private) Limited
Optimus Capital Management (Pvt.) Ltd	Magenta Capital (Private) Limited
Pearl Securities Limited	Invest One Markets 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	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 - Fixed Income	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. Raymond 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 August 28, 2025.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**



**HBL** Income Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL Income Fund</b>
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited
<b>NAME OF AUDITOR</b>	A.F. Ferguson & Co.
<b>NAME OF BANKERS</b>	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited Zarai Taraqiati Bank Limited Askari Bank Limited MCB Bank Limited Soneri Bank Limited Telenor Bank Microfinance U Microfinance Bank Limited HBL Microfinance Bank Limited NRSP Microfinance Bank Limited Industrial and Commercial Bank of China Limited Meezan Bank Limited Sindh Bank Limited Finca Microfinance Bank Limited Khushali Microfinance Bank Limited
<b>Fund Rating</b>	A+(f) (VIS)

**Type and Category of Fund**

Open end Income Fund

**Investment Objective and Accomplishment of Objective**

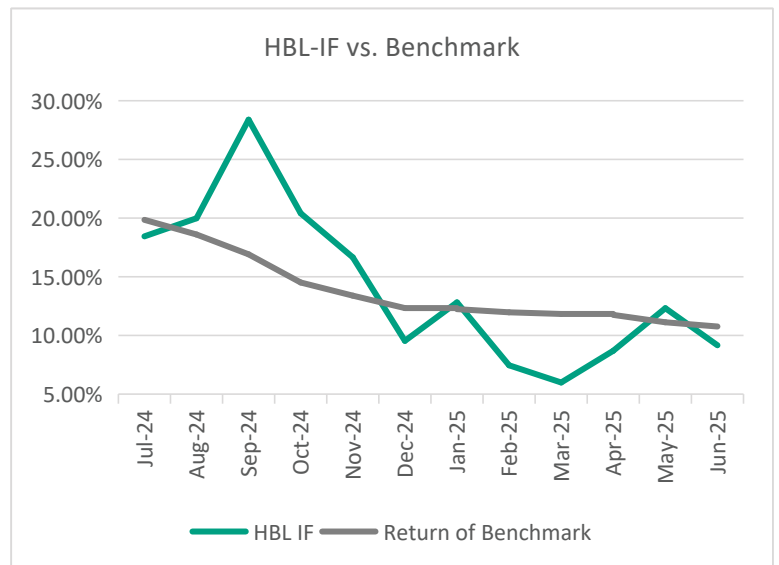
The objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities. The investment objective is achieved.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is 75% six (6) months KIBOR rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

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

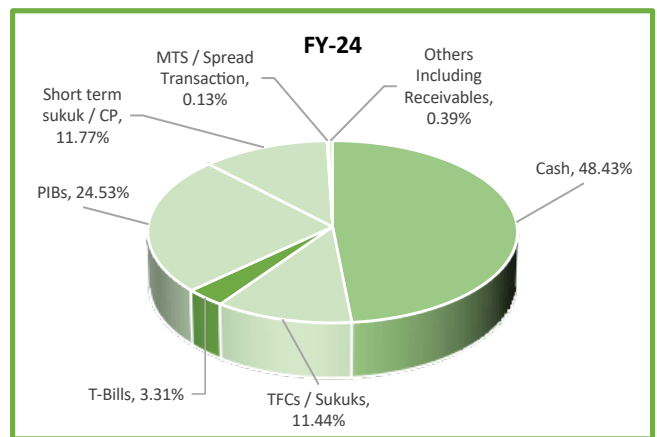
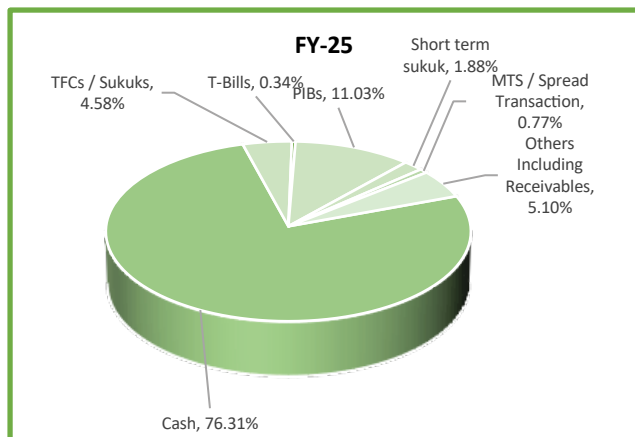
Month	Return of Fund	
	HBL - IF	Benchmark
Jun-25	9.16%	10.76%
May-25	12.32%	11.12%
Apr-25	8.69%	11.75%
Mar-25	5.99%	11.83%
Feb-25	7.46%	11.97%
Jan-25	12.82%	12.24%
Dec-24	9.54%	12.33%
Nov-24	16.65%	13.39%
Oct-24	20.41%	14.51%
Sep-24	28.39%	16.91%
Aug-24	19.98%	18.60%
Jul-24	18.44%	19.85%



**Strategies and Policies employed during the Year**

During the year under review, the fund size of HBL Income Fund more than doubled to PKR 13,162 million as compared to PKR 4,973 million in June, 2024. Investments in TFCs/Sukuku and Government Guaranteed Securities were at 4.58% and 11.37% of total assets, respectively, as on June 30, 2025. Short term Sukuku/CPs accounted for 1.88% of total assets. Cash placements were 76.31% of total assets to take advantage of attractive bank rates. The Fund was also invested in MTS/ Spread transactions at 0.77% of total assets.

**Asset Allocation**



## Fund Performance

The total income and net income of the Fund was Rs. 1.35 billion and Rs. 1.13 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 113.2781 per unit as on June 30, 2025 (after incorporating dividend of Rs. 17.20 per unit) as compared to Rs. 113.3201 per unit as on June 30, 2024 thereby giving an annualized return of 15.13%. During the period the benchmark (6 Month KIBOR) return was 13.79%. The size of Fund was Rs. 13.16 billion as on June 30, 2025 as compared to Rs. 4.97 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. 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.

## Distribution

The Fund has distributed cash dividend up-to Rs. 17.20 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 year under review.

### Breakdown of Unit Holding by Size

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	1,129	19,297
101 – 500	305	72,983
501 – 1,000	81	64,022
1,001 – 10,000	382	1,829,260
10,001 – 100,000	519	19,590,109
500,001 – 1,000,000	33	24,469,010
100,001 – 500,000	182	40,283,824
1,000,001 – 5,000,000	17	29,867,575
5,000,001 and above	-	-
Total	2,648	116,196,079

### 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 INCOME FUND**  
As at June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
Net assets at the period end(Rs'000)	13,162,476	4,972,884	2,107,792	4,239,599	2,273,185	1,543,827	1,510,743
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>							
Redemption	113.2781	113.3201	112.4509	111.4310	110.5617	108.2828	106.1134
Offer	115.2321	115.2409	114.3569	113.3198	112.4357	110.1182	107.9120
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>							
Highest offer price per unit	132.7967	138.8704	131.5749	125.1043	117.6291	122.6415	116.9874
Lowest offer price per unit	115.2321	114.3661	113.3763	112.5869	109.7430	107.4499	107.6075
Highest redemption price per unit	130.5448	136.5558	129.3819	123.0191	115.6685	120.5974	115.0375
Lowest redemption price per unit	113.2781	112.4599	111.4866	110.7104	107.9139	106.1799	105.8140
<b>RETURN ( % )</b>							
Total return	15.13%	22.35%	17.03%	11.43%	7.10%	13.28%	8.82%
Income distribution	15.18%	21.48%	15.97%	10.63%	5.40%	12.00%	9.00%
Capital growth	-0.05%	0.87%	1.06%	0.80%	1.70%	1.28%	-0.18%
<b>DISTRIBUTION</b>							
First Interim dividend distribution (Rs)	-	-	-	-	-	-	-
Date of Income Distribution							
Second Interim dividend distribution (Rs)	-	-	-	-	-	-	-
Date of Income Distribution							
Third Interim dividend distribution (Rs)	-	-	-	-	-	-	-
Date of Income Distribution							
Final dividend distribution (Rs)	17.20	24.15	17.80	11.75	5.40	12.00	9.00
Date of Income Distribution	20-Jun-25	14-Jun-24	16-Jun-23	23-Jun-21	18-Jun-21	26-Jun-20	27-Jun-19
Total dividend distribution for the year/ period (Rs)	17.20	24.15	17.80	11.75	5.40	12.00	9.00
<b>AVERAGE RETURNS ( % )</b>							
Average annual return 1 year	15.13%	22.35%	17.03%	11.43%	7.10%	13.28%	8.82%
Average annual return 2 year	18.69%	19.66%	14.20%	9.24%	10.15%	11.03%	6.88%
Average annual return 3 year	18.13%	16.85%	11.78%	10.57%	9.70%	8.97%	6.13%
Weighted average portfolio during (No. of days)	170	514	328	192	466	857	852
<b>PORTFOLIO COMPOSITION - ( % )</b>							
Percentage of Total Assets as at 30 June:							
Bank Balances	76.31%	48.43%	44.51%	37.28%	16.16%	39.05%	34.38%
TFCs	4.58%	11.44%	19.75%	23.32%	19.65%	27.22%	52.26%
PIBs	11.03%	24.53%	0.00%	0.00%	16.98%	26.61%	0.00%
Government Securities	0.34%	3.31%	10.67%	7.51%	0.00%	0.00%	0.00%
Placement with Banks and DFIs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MTS / Spread Transaction	0.77%	0.13%	21.12%	13.01%	38.92%	0.00%	0.00%
Commercial Paper	0.00%	11.77%	0.00%	15.92%	1.47%	3.59%	9.29%
Others Including receivables	6.97%	0.39%	3.95%	2.96%	6.82%	3.53%	4.07%

**Note:**

The Launch date of the Fund is March 15, 2007

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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S.M.C.H.S. Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326021 - 23  
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Email: info@cdcpak.com

**TRUSTEE REPORT TO THE UNIT HOLDERS**



**HBL 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 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 29, 2025



**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of HBL Income Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HBL Income 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	<p><b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)</p> <p>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. 10,713.499 million and Rs. 2,356.128 million respectively.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

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■ KARACHI ■ LAHORE ■ ISLAMABAD



### 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: AR202510061jHtEgu3Zn

**HBL Income Fund**  
**STATEMENT OF ASSET AND LIABILITIES**  
*As At June 30, 2025*

	Note	2025	2024
----- Rupees in '000 -----			
<b>ASSETS</b>			
Bank balances	4	10,713,499	2,471,696
Investments	5	2,356,128	2,437,054
Receivable against margin trading system		102,263	6,453
Interest / profit accrued	6	65,108	124,832
Deposits, prepayment and other receivables	7	64,410	64,061
<b>Total assets</b>		<u>13,301,408</u>	<u>5,104,096</u>
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	8	10,681	13,860
Payable to Central Depository Company of Pakistan Limited - Trustee	9	1,614	1,411
Payable to the Securities and Exchange Commission of Pakistan	10	349	253
Unclaimed dividend		3,802	3,802
Dividend payable		16,697	-
Accrued expenses and other liabilities	11	105,789	111,886
<b>Total liabilities</b>		<u>138,932</u>	<u>131,212</u>
<b>NET ASSETS</b>		<u>13,162,476</u>	<u>4,972,884</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>13,162,476</u>	<u>4,972,884</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12		
----- Number of units -----			
<b>NUMBER OF UNITS IN ISSUE</b>	13	<u>116,196,079</u>	<u>43,883,513</u>
----- Rupees -----			
<b>NET ASSET VALUE PER UNIT</b>		<u>113.2781</u>	<u>113.3201</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**

	Note	2025	2024
----- Rupees in '000 -----			
<b>INCOME</b>			
Income on savings accounts with banks		167,153	303,000
Income on term finance certificates and corporate sukuk certificates		148,072	163,661
Income on market treasury bills		586,640	87,721
Income on GoP ijarah sukuks		-	30,808
Income on Pakistan investment bonds		287,770	212,559
Income on letter of placements		8,828	61,445
Mark-up on margin trading system		7,687	121,747
Other income		6,911	7,287
Gain on sale of investments - net		70,457	6,936
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.7	66,596	2,301
<b>Total income</b>		<b>1,350,114</b>	<b>997,465</b>
<b>EXPENSES</b>			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	8.1 & 8.2	197,299	60,823
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh Sales Tax)	8.3	3,795	19,938
Selling and marketing expenses (including Sindh Sales Tax)	8.4	3,756	20,623
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	9.1 & 9.2	7,367	3,757
Fees to the Securities and Exchange Commission of Pakistan	10.1	6,365	3,316
Settlement and bank charges		1,056	9,290
Securities transaction cost		203	327
Auditors' remuneration	15	1,022	858
Printing and stationery charges		22	108
Fees and subscription		390	391
<b>Total expenses</b>		<b>221,275</b>	<b>119,431</b>
<b>Net income for the year before taxation</b>		<b>1,128,839</b>	<b>878,034</b>
Taxation	17	-	-
<b>Net income for the year after taxation</b>		<b>1,128,839</b>	<b>878,034</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		1,128,839	878,034
Income already paid on units redeemed		(970,653)	(509,486)
		<b>158,186</b>	<b>368,548</b>
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		19,205	-
- Excluding capital gains		138,981	368,548
		<b>158,186</b>	<b>368,548</b>

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 Income Fund**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the year ended June 30, 2025*

	2025	2024
	----- Rupees in '000 -----	
Net income for the year after taxation	1,128,839	878,034
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>1,128,839</u>	<u>878,034</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 Income 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					
<b>Net assets at the beginning of the year</b>	4,739,923	232,961	4,972,884	1,907,939	199,853	2,107,792
Issuance of 214,424,679 units (2024: 102,048,353 units)						
- Capital value (at net asset value per unit at the beginning of the year)	24,298,626	-	24,298,626	11,475,429	-	11,475,429
- Element of income	904,719	-	904,721	802,981	-	802,981
<b>Total proceeds on issuance of units</b>	<b>25,203,345</b>	<b>-</b>	<b>25,203,347</b>	<b>12,278,410</b>	<b>-</b>	<b>12,278,410</b>
Redemption of 142,112,113 units (2024: 76,908,948 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(16,104,159)	-	(16,104,159)	(8,648,480)	-	(8,648,480)
- Element of loss	(811,262)	(970,653)	(1,781,915)	(476,334)	(509,486)	(985,820)
<b>Total payments on redemption of units</b>	<b>(16,915,421)</b>	<b>(970,653)</b>	<b>(17,886,074)</b>	<b>(9,124,814)</b>	<b>(509,486)</b>	<b>(9,634,300)</b>
Total comprehensive income for the year	-	1,128,839	1,128,839	-	878,034	878,034
Distribution for the year ended June 30, 2025 (cash distribution @ Rs. 17.20 per unit declared on June 20, 2025)	-	(173,406)	(173,406)	-	-	-
Distribution For the year ended June 30, 2024 (cash distribution @ Rs. 24.15 per unit declared on June 14, 2024)	-	-	-	-	(335,440)	(335,440)
Refund of capital	(83,114)	-	(83,114)	(321,612)	-	(321,612)
<b>Net assets at the end of the year</b>	<b>12,944,733</b>	<b>217,741</b>	<b>13,162,476</b>	<b>4,739,923</b>	<b>232,961</b>	<b>4,972,884</b>
<b>Undistributed income brought forward comprising of:</b>						
- Realised income		230,660			198,709	
- Unrealised income		2,301			1,144	
		<u>232,961</u>			<u>199,853</u>	
<b>Accounting income available for distribution:</b>						
- Relating to capital gains	19,205			-		
- Excluding capital gains	138,981			368,548		
	158,186			368,548		
Distribution during the year	(173,406)			(335,440)		
Undistributed income carried forward	<u>217,741</u>			<u>232,961</u>		
<b>Undistributed income carried forward comprising of:</b>						
- Realised income		151,145			230,660	
- Unrealised income		66,596			2,301	
		<u>217,741</u>			<u>232,961</u>	
			(Rupees)			(Rupees)
<b>Net asset value per unit at the beginning of the year</b>			<u>113.3201</u>			<u>112.4509</u>
<b>Net asset value per unit at the end of the year</b>			<u>113.2781</u>			<u>113.3201</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 Income Fund**  
**CASH FLOW STATEMENT**  
For the year ended June 30, 2025

	Note	2025	2024
----- Rupees in '000 -----			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		1,128,839	878,034
<b>Adjustments for:</b>			
Income on savings accounts with banks		(167,153)	(303,000)
Income on term finance certificates and corporate sukuk certificates		(148,072)	(163,661)
Income on market treasury bills		(586,640)	(87,721)
Income on GoP ijarah sukuks		-	(30,808)
Income on Pakistan investment bonds		(287,770)	(212,559)
Income on letter of placements		(8,828)	(61,445)
Mark-up on margin trading system		(7,687)	(121,747)
Gain on sale of investments - net		(70,457)	(6,936)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.7	(66,596)	(2,301)
		(214,364)	(112,144)
<b>Decrease / (increase) in assets</b>			
Investments - net		217,979	(1,767,700)
Receivable against margin trading system		(95,810)	458,695
Deposits, prepayment and other receivables		(349)	(8,120)
		121,820	(1,317,125)
<b>(Decrease) / increase in liabilities</b>			
Payable to HBL Asset Management Limited - Management Company		(3,179)	7,877
Payable to Central Depository Company of Pakistan Limited - Trustee		203	886
Payable to the Securities and Exchange Commission of Pakistan		96	(311)
Accrued expenses and other liabilities		(6,097)	28,599
		(8,977)	37,051
		(101,521)	(1,392,218)
Profit received on bank deposits		174,104	292,453
Interest / profit received on investments		1,084,547	466,549
Mark-up received on margin trading system		7,223	128,033
<b>Net cash generated from / (used in) operating activities</b>		1,164,353	(505,183)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		25,203,347	12,278,410
Payment against redemption and conversion of units		(17,886,074)	(9,634,300)
Refund of capital		(83,114)	(321,612)
Cash dividend paid		(156,709)	(335,440)
<b>Net cash generated from financing activities</b>		7,077,450	1,987,058
<b>Net increase in cash and cash equivalents during the year</b>		8,241,803	1,481,875
Cash and cash equivalents at the beginning of the year		2,471,696	989,821
<b>Cash and cash equivalents at the end of the year</b>	14	10,713,499	2,471,696

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** HBL Income 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 September 6, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 25, 2006. 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 September 8, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act, 2020.
- 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 Regulation) 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 at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi. The Management Company is the member of Mutual Funds Association of Pakistan (MUFAP).
- 1.3** The Fund is an open ended mutual fund categorised as 'Income 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 (PSX). The units of the Fund were initially offered for public subscription at par from March 15, 2007 to March 17, 2007.
- 1.4** The principal objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities.
- 1.5** VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating at 'AM1' dated December 31, 2024 (2024: 'AM1' dated December 29, 2023) and the outlook on the assigned rating remains 'Stable' (2024: 'Stable') and the Fund stability rating of 'A+(f)' dated March 3, 2025 (2024: 'A+(f)' dated January 2, 2024). The rating reflects the Management Company's adequate corporate governance framework with a well structured Board and Committees, experience management team, and adherence to best governance practices, deriving sustained growth.
- 1.6** The title to the assets of the Fund is held in the name of CDC 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 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.

**2.2 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. "

**2.3 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.

**2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards 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 3.2 and 5) and provision for federal excise duty (note 11.1).

**2.5 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 21.

**2.6 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.

**3 MATERIAL ACCOUNTING POLICY INFORMATION**

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

### **3.1 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.

### **3.2 Financial assets**

#### **3.2.1 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.

#### **3.2.2 Classification and subsequent measurement**

##### **Debt instruments**

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL).

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 FVPL. 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 FVPL.

#### **3.2.3 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.

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.

#### **3.2.4 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 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.

### **3.2.5 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 Pakistan Stock Exchange Regulations.

### **3.2.6 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.

## **3.3 Financial liabilities**

### **3.3.1 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 values and subsequently stated at amortised cost.

### **3.3.2 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.

## **3.4 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.

## **3.5 Provisions**

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

## **3.6 Net asset value per unit**

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### **3.7 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / distributors during business hours on that day. The offer price represents the NAV per unit as of the close of 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 applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### **3.8 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 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 period in which such distributions are declared and approved by the Board of Directors of the Management Company.

### **3.9 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.

### **3.10 Revenue recognition**

- Gains / (losses) arising on sale of investments are included in Income Statement and are recognised 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 included in the Income Statement in the year in which they arise;
- Income on corporate sukuk certificates, term finance certificates, market treasury bills, Pakistan investment bonds and letter of placements is recognised on a time proportionate basis using the effective interest rate method; and
- Income on bank balances is recognised on time proportion basis using the effective interest rate method.

### **3.11 Expenses**

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

### 3.12 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.

	Note	2025	2024
----- Rupees in '000 -----			
<b>4 BANK BALANCES</b>			
Savings accounts	4.1	10,713,499	2,471,696

**4.1** These include balances of Rs. 10,663.081 million (2024: Rs. 2,444.295 million) with Habib Bank Limited (a related party) that carries profit at the rate of 11.50% (2024: 19.00% to 21.15%) and Rs. 0.066 million (2024: Rs. 8.505 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.25% (2024: 20.00% to 22.50%). Other savings accounts of the Fund carry profit at the rates ranging from 9.50% to 10.95% (2024: 19.00% to 21.50%) per annum.

	Note	2025	2024
----- Rupees in '000 -----			
<b>5 INVESTMENTS</b>			
<b>At fair value through profit or loss</b>			
Corporate sukuk certificates	5.1	358,055	638,748
Term finance certificates	5.2	485,853	546,034
Government securities - Pakistan Investment Bonds	5.3	1,466,722	1,252,272
Government securities - Market Treasury Bills	5.4	45,498	-
Letter of placements	5.5	-	-
		2,356,128	2,437,054

#### 5.1 Corporate sukuk certificates

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2024	Purchased during the year	Disposed of / 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)	Percentage in relation to	
										Total market value of investment	Net assets of the Fund
						-----Number of certificates-----	----- (Rupees in '000') -----				
<b>Pharmaceutical</b>											
OBS Pharma (Private) Limited (A1, PACRA, non-traded) (February 29, 2024) Face value: Rs. 1,000,000	21.46%	August 29, 2024	150	-	150	-	-	-	-	-	-
Aspin Pharma Private Limited (A1, PACRA, non-traded) (January 25, 2025) Face value: Rs. 1,000,000	12.88%	July 06, 2025	-	200	-	200	200,000	200,000	-	8.49%	1.52%
<b>Power generation &amp; distribution</b>											
Lucky Electric Power Company Limited (A1+, PACRA, non-traded) (March 26, 2024) Face Value: Rs. 1,000,000	12.43%	September 26, 2024	451	-	451	-	-	-	-	-	-
The Hub Power Company Limited (AA+, PACRA, traded) (November 12, 2020) Face value: Rs. 75,000	24.08%	November 12, 2025	250	-	250	-	-	-	-	-	-

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2024	Purchased during the year	Disposed of / 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)	Percentage in relation to	
										Total market value of investment	Net assets of the Fund
-----Number of certificates----- (Rupees in '000') -----											
<b>Technology &amp; Communication</b>											
Pakistan Telecommunication Company Limited (A1+, VIS, non-traded) (December 19, 2024) Face Value: Rs. 1,000,000	12.12%	June 19, 2025	-	118	118	-	-	-	-	-	-
TPL Trakker (1st issue) (A+, PACRA, non-traded) (March 30, 2021) Face value: Rs. 388,889	23.24%	March 30, 2026	47	-	-	47	7,985	8,055	70	0.34%	0.06%
<b>Others</b>											
New Allied Electronics Industries (Private) Limited * (note 5.1.1) (December 3, 2007)	-	December 3, 2012	9,000	-	-	9,000	-	-	-	-	-
RYK Mills Limited (A1, VIS, non-traded) (February 11, 2025) Face Value: Rs. 1,000,000	13.29%	August 11, 2025	-	50	-	50	50,000	50,000	-	2.12%	0.38%
Sunridge Foods (Private) Limited (AAA, VIS, non-traded) (May 19, 2025) Face value: Rs. 100,000	12.11%	May 19, 2030	-	1,000	-	1,000	100,000	100,000	-	4.24%	0.76%
<b>Total as at June 30, 2025</b>							<b>357,985</b>	<b>358,055</b>	<b>70</b>		
<b>Total as at June 30, 2024</b>							<b>638,460</b>	<b>638,748</b>	<b>288</b>		

\* In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities market value / valuation by MUFAP is not available.

**5.1.1** This represents investment in privately placed Sukuk bonds of the investee company. This investment has been fully provided.

## 5.2 Term finance certificates

Name of Investee Company	Profit rate	Maturity date	As at July 1, 2024	Purchased during the year	Disposed of / matured / settled during the year	As at June 30, 2025	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Unrealised (diminution) / appreciation as at June 30, 2024	Percentage in relation to	
										Total market value of investment	Net assets of the Fund
-----Number of certificates----- (Rupees in '000') -----											
<b>Chemicals</b>											
Agritech Limited - TFC (note 5.2.1)	-	-	2,000	-	2,000	-	-	-	-	-	-
Agritech Limited * - TFC (4th issue) (note 5.2.1)	-	-	430	-	430	-	-	-	-	-	-
<b>Technology &amp; Communication</b>											
TPL Corporation Limited (3rd issue) (AA-, PACRA, traded) (June 28, 2022) Face value: Rs. 100,000	22.76%	June 28, 2027	1,000	-	-	1,000	62,738	58,667	(4,071)	2.49%	0.45%
Worldcall Telecom Limited * (note 5.2.2) (October 7, 2008)	-	-	23,750	-	-	23,750	-	-	-	-	-
<b>Commercial Banks</b>											
Askari Bank Limited (AA, PACRA, non-traded) (March 17, 2020) Face Value: Rs. 1,000,000	13.38%	March 17, 2030	250	-	-	250	248,798	252,286	3,488	10.71%	1.92%
Soneri Bank Limited (4th issue) (A+, PACRA, traded) (December 26, 2022) Face Value: Rs. 99,940	21.83%	December 26, 2032	1,000	-	-	1,000	99,031	99,900	869	4.24%	0.76%
<b>Trust</b>											
Kashf Foundation (1st issue) (AAA, PACRA, non-traded) (Dec 8, 2023) Face Value: Rs. 100,000	22.18%	December 8, 2026	1,000	-	-	1,000	77,041	75,000	(2,041)	3.18%	0.57%
<b>Others</b>											
New Allied Electronics Industries (Private) Limited * - TFC (note 5.2.3) (May 15, 2007)	-	May 15, 2011	9,000	-	-	9,000	-	-	-	-	-
<b>Total as at June 30, 2025</b>							<b>487,608</b>	<b>485,853</b>	<b>(1,755)</b>		
<b>Total as at June 30, 2024</b>							<b>539,499</b>	<b>546,034</b>	<b>6,535</b>		

\* In case of debt securities against which a provision has been made, these are carried at amortised cost less provision. For non-performing securities market value / valuation by MUFAP is not available.

**5.2.1** During the year, the non-performing term finance certificates of Agritech Limited were converted into Cumulative, Redeemable, Class A Preference Shares pursuant to a scheme of arrangement approved by the Honorable Lahore High Court. The new Class A Preference Shares (1,535,772 shares) were received against the term finance certificate of Agritech Limited as disclosed in note 5.2. These newly received preference shares were recorded at Rs. Nil. Accordingly, during the year, the Fund derecognised its original investments in the aforesaid term finance certificates of AGL against a consideration of Rs. Nil and recognised these preference shares as unlisted debt security. These aforementioned securities were eventually disposed of in the current year at the rate of Rs. 4.5 per share amounting to Rs. 6.911 million.



**5.2.2** World call Telecom Limited Term finance certificates were classified by MUFAP as non-performing on November 8, 2012 after default of installment due on October 7, 2012 (earlier default on April 7, 2012) for the second time. A restructuring agreement was signed on December 26, 2012. The restructuring included the extension of repayment period by two years, deferral of principal instalments till October 7, 2014 and payment of regular mark-up during the restructuring period. In accordance with Circular No. 33 of 2012 dated October 24, 2012, a provision of Rs. 47.767 million has been made out of which till June 30, 2024 Rs. 10.440 million has been received leaving an outstanding balance as at June 30, 2025 of Rs. 37.33 million, which is fully provided.

**5.2.3** This represents investment in privately placed Term finance certificates of the investee company. This investment has been fully provided.

**5.3 Government securities - Pakistan Investment Bonds**

Issue Date	Tenor	Face value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2024	Purchased during the year	Disposed of / matured during the	As at June 30, 2025	Carrying value as at June 30,	Market value as at June 30,	Unrealised appreciation / (diminution)	Total market value of investment	Net assets of the Fund
September 20, 2024	2 years	-	500,000	500,000	-	-	-	-	-	-
September 20, 2024	2 years	-	500,000	500,000	-	-	-	-	-	-
September 20, 2024	2 years	-	500,000	500,000	-	-	-	-	-	-
January 16, 2025	2 years	-	500,000	500,000	-	-	-	-	-	-
October 19, 2023	3 years	350,000	-	-	350,000	345,945	348,635	2,690	14.80%	2.65%
February 15, 2024	3 years	500,000	-	-	500,000	481,410	521,998	40,588	22.15%	3.97%
October 13, 2022	5 years	200,000	-	-	200,000	177,803	197,760	19,957	8.39%	1.50%
April 18, 2024	5 years	275,000	-	-	275,000	267,095	270,682	3,587	11.49%	2.06%
June 16, 2025	5 years	-	125,000	-	125,000	126,307	127,647	1,340	5.42%	0.97%
<b>Total as at June 30, 2025</b>						<b>1,398,560</b>	<b>1,466,722</b>	<b>68,162</b>		
<b>Total as at June 30, 2024</b>						<b>1,256,794</b>	<b>1,252,272</b>	<b>(4,522)</b>		

**5.3.1** The Pakistan Investment Bonds carry yield ranging from 11.72% to 16.66% (2024: 15.90% to 23.49%) per annum and have maturities upto June 16, 2030 (2024: April 18, 2029).

**5.3.2** This includes fixed rate Pakistan Investment Bond pledged with the National Clearing Company of Pakistan Limited (NCCPL) in accordance with the Circular no.11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The bond has a face value of Rs. 50 million and a market value of Rs. 49.440 million as at June 30, 2025 (2024: Rs. 42.755 million).

**5.4 Government securities - Market Treasury Bills**

Particulars	Issue Date	Face Value (Rupees in '000)				Rupees in '000			Percentage in relation to	
		As at July 1, 2024	Purchased during the year	Disposed of / 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	Total market value of investment	Net assets of the Fund
<b>Market Treasury Bills - 3 - months</b>										
Market Treasury Bills	June 13, 2024	-	210,000	210,000	-	-	-	-	-	-
Market Treasury Bills	July 11, 2024	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills	July 25, 2024	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills	October 31, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	November 28, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	December 12, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	December 26, 2024	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	January 23, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	February 6, 2025	-	250,000	250,000	-	-	-	-	-	-
Market Treasury Bills	March 6, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Market Treasury Bills	May 29, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	June 12, 2025	-	500,000	500,000	-	-	-	-	-	-

Particulars	Issue Date	Face Value (Rupees in '000)			Rupees in '000			Percentage in relation to	
		As at July 1, 2024	Purchased during the year	Disposed of / 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	Total market value of investment
<b>Market Treasury Bills - 6 - months</b>									
Market Treasury Bills	May 2, 2024	-	400,000	400,000	-	-	-	-	-
Market Treasury Bills	July 11, 2024	-	250,000	250,000	-	-	-	-	-
Market Treasury Bills	July 25, 2024	-	250,000	250,000	-	-	-	-	-
Market Treasury Bills	August 22, 2024	-	200,000	200,000	-	-	-	-	-
Market Treasury Bills	September 5, 2024	-	1,256,430	1,256,430	-	-	-	-	-
Market Treasury Bills	October 3, 2024	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	October 31, 2024	-	154,600	154,600	-	-	-	-	-
Market Treasury Bills	November 28, 2024	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	January 9, 2025	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	January 23, 2025	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	February 6, 2025	-	40,480	40,480	-	-	-	-	-
Market Treasury Bills	May 16, 2024	-	1,500,000	1,500,000	-	-	-	-	-
<b>Market Treasury Bills - 1 - Year</b>									
Market Treasury Bills	September 7, 2023	-	1,465,000	1,465,000	-	-	-	-	-
Market Treasury Bills	October 19, 2023	-	2,620,000	2,620,000	-	-	-	-	-
Market Treasury Bills	November 2, 2023	-	2,320,000	2,320,000	-	-	-	-	-
Market Treasury Bills	November 16, 2023	-	18,000	18,000	-	-	-	-	-
Market Treasury Bills	November 30, 2023	-	1,000,000	1,000,000	-	-	-	-	-
Market Treasury Bills	December 28, 2023	-	1,800,000	1,800,000	-	-	-	-	-
Market Treasury Bills	April 18, 2024	-	2,100,000	2,100,000	-	-	-	-	-
Market Treasury Bills	May 16, 2024	-	100,000	100,000	-	-	-	-	-
Market Treasury Bills	June 13, 2024	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	July 11, 2024	-	250,000	250,000	-	-	-	-	-
Market Treasury Bills	July 25, 2024	-	250,000	250,000	-	-	-	-	-
Market Treasury Bills	August 8, 2024	-	35,135	35,135	-	-	-	-	-
Market Treasury Bills	August 22, 2024	-	1,252,500	1,252,500	-	-	-	-	-
Market Treasury Bills	September 5, 2024	-	506,000	506,000	-	-	-	-	-
Market Treasury Bills	October 3, 2024	-	1,900,000	1,900,000	-	-	-	-	-
Market Treasury Bills	October 17, 2024	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	October 31, 2024	-	803,840	803,840	-	-	-	-	-
Market Treasury Bills	November 14, 2024	-	275,000	275,000	-	-	-	-	-
Market Treasury Bills	November 28, 2024	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	December 12, 2024	-	350,000	350,000	-	-	-	-	-
Market Treasury Bills	December 26, 2024	-	315,000	315,000	-	-	-	-	-
Market Treasury Bills	January 9, 2025	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	January 23, 2025	-	500,000	500,000	-	-	-	-	-
Market Treasury Bills	February 6, 2025	-	103,450	103,450	-	-	-	-	-
Market Treasury Bills	May 29, 2025	-	200,000	150,000	50,000	45,379	45,498	119	1.93%
<b>Total as at June 30, 2025</b>						<u>45,379</u>	<u>45,498</u>	<u>119</u>	
<b>Total as at June 30, 2024</b>						-	-	-	

## 5.5 Letter of placements

Name of the investee	Issue date	Interest rate	As at July 1, 2024	Purchased during the year	Matured during the year	Carrying value as at June 30, 2025	Market value as at June 30, 2025	Percentage in relation to	
								Total market value of investment	Net assets of the Fund
								%	
								(Rupees in '000)	
Pak Kuwait Investment Company Limited	October 1, 2024	17.20%	-	700,000	700,000	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 18, 2024	18.40%	-	300,000	300,000	-	-	-	-
Pak Kuwait Investment Company Limited	October 2, 2024	17.20%	-	700,330	700,330	-	-	-	-
<b>Total as at June 30, 2025</b>					<u>1,700,330</u>	<u>1,700,330</u>	-	-	
<b>Total as at June 30, 2024</b>					-	<u>3,140,000</u>	-	-	

## 5.6 Details of non-compliant investments

The SECP vide its circular no. 16 dated July 7, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	Percentage in relation to	
			(Rupees in '000)			Total market value of investments	Net assets of the Fund
New Allied Electronics Industries (Private) Limited	5.1.1	Sukuk	44,149	44,149	-	-	-
World Telecom Limited	5.2.2	TFC	37,330	37,330	-	-	-
New Allied Electronics Industries (Private) Limited	5.2.3	TFC	19,025	19,025	-	-	-
			<u>100,504</u>	<u>100,504</u>	<u>-</u>		

**5.7 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	5.1, 5.2, 5.3, 5.4 & 5.5	2,356,128	2,437,054
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	(2,289,532)	(2,434,753)
		<u>66,596</u>	<u>2,301</u>

**6 INTEREST / PROFIT ACCRUED**

Interest / profit accrued on:

Bank balances		17,899	24,850
Debt securities - Term finance certificates and corporate sukuk certificates		21,302	42,378
Government securities - Pakistan Investment Bonds		25,441	57,602
Margin trading system		466	2
		<u>65,108</u>	<u>124,832</u>

**7 DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES**

Security deposits with:

- National Clearing Company of Pakistan Limited		38,169	38,169
- Central Depository Company of Pakistan Limited		100	100
		<u>38,269</u>	<u>38,269</u>

Receivable against investments in Term finance certificates

Advance tax	7.1	25,212	25,212
Prepaid expenses		572	580
Other receivable		357	-
		<u>64,410</u>	<u>66,059</u>

Less: provision against overdue installments of

Term finance certificates		-	(1,998)
		<u>64,410</u>	<u>64,061</u>

**7.1** 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 profit on bank deposit 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 withholder. The tax withheld on profit on debt amounts to Rs. 25.212 million (2024: Rs. 25.212 million).

For this purpose, 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. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, 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 judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank balances and debt securities has been shown as other receivable as at June 30, 2025 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025	2024
			----- Rupees in '000 -----	
	Remuneration payable	8.1	8,949	5,079
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	1,342	660
	Allocated expenses payable related to registrar services, accounting, operation and valuation services	8.3	-	-
	Selling and marketing expenses payable	8.4	-	7,906
	Sales load payable		390	215
			<u>10,681</u>	<u>13,860</u>

**8.1** 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 1.00% to 2.5% (2024: 1.00% to 1.5%) 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.

**8.2** 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 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.

**8.3** 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 charged such expenses at the rates ranging from 0% to 0.3% (2024: 0% to 0.845%) of the daily net assets of the scheme for allocation of such expenses to 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.

- 8.4** In accordance with Circular 11 dated July 5, 2019 issued by the SECP with respect to selling and marketing expenses, the Management Company, based on its own discretion, has charged selling and marketing expenses at the rates ranging from 0% to 0.35% (2024: 0% to 0.71%) during the year ended June 30, 2025, 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.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025	2024
		----- Rupees in '000 -----		
	Trustee fee payable	9.1	415	254
	Sindh Sales Tax payable on trustee fee	9.2	62	33
	CDS charges payable		<u>1,137</u>	<u>1,124</u>
			<u>1,614</u>	<u>1,411</u>

- 9.1** The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2024: 0.075%) per annum of daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.

- 9.2** 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.

10	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025	2024
		----- Rupees in '000 -----		
	Fee payable	10.1	<u>349</u>	<u>253</u>

- 10.1** 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 an 'Income 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.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2025	2024
		----- Rupees in '000 -----		
	Federal excise duty payable on the Management Company's remuneration	11.1	27,578	27,578
	Capital gain tax payable		39,177	24,994
	Withholding tax payable		34,051	53,913
	Auditors' remuneration		1,029	505
	Securities transaction cost payable		-	863
	Zakat payable		652	440
	Other payables		3,302	3,593
			<u>105,789</u>	<u>111,886</u>

**11.1** 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 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. 27.578 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 of the Fund would have been higher by Re. 0.2373 (2024: Re. 0.6284) per unit.

## 12 CONTINGENCIES AND COMMITMENTS

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

13	NUMBER OF UNITS IN ISSUE	2025	2024
		----- Number of units -----	
	Units in issue at the beginning of the year	43,883,513	18,744,108
	Issued during the year	214,424,679	102,048,353
	Redeemed during the year	<u>(142,112,113)</u>	<u>(76,908,948)</u>
	Total units in issue at the end of the year	<u>116,196,079</u>	<u>43,883,513</u>

	Note	2025	2024
----- Rupees in '000 -----			
<b>14</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Bank balances	4	10,713,499
		<u>10,713,499</u>	<u>2,471,696</u>
<b>15</b>	<b>AUDITORS' REMUNERATION</b>		
	Annual audit fee	370	308
	Half yearly review	247	206
	Certifications and other services	227	204
	Out of pocket expenses	93	76
		<u>937</u>	<u>794</u>
	Sindh sales tax	85	64
		<u>1,022</u>	<u>858</u>

**16 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 2.61% (2024: 2.70%) which includes 0.41% (2024: 0.24%) representing government levies on the Fund such as sales taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 2.5% prescribed under the NBFC Regulations for a collective investment scheme categorised as an Income 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 8.1 to 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.

**18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES**

**18.1** Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, the Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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.

**18.2** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

- 18.3** 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.
- 18.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 18.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.
- 18.6** Details of the transactions during the year and balances at year end with connected persons / related parties:

<b>18.7 Transactions during the year</b>	<b>2025</b>	<b>2024</b>
	----- Rupees in '000 -----	
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company including Sales Tax thereon	197,299	60,823
Allocation of expenses related to registrar services, accounting, operation and valuation services	3,795	19,938
Selling and marketing expenses	3,756	20,623
Issuance of 423,948 units (2024: Nil Units)	50,000	-
Dividend reinvestment of 52,549 units (2024: Nil Units)	7,292	-
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	320	304
Profit earned on bank balance	50,812	20,251
Purchase of Market Treasury Bills	1,195,090	-
Sale of Market Treasury Bills	4,631,281	1,726,726
Sale of Pakistan Investment Bonds	837,109	195,909
<b>HBL Microfinance Bank - Associated Company</b>		
Profit earned on bank balances	47,793	189,440
Purchase of Market Treasury Bills	183,470	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee's remuneration including Sales Tax thereon	7,367	3,757
CDS charges	160	1,040
<b>MCBFSL Trustee - HBL Financial Planning Fund Conservative *</b>		
<b>Allocation Plan - An associate</b>		
Redemption of Nil units (2024: 247,838 units)	-	27,962
<b>Jaffer Brothers (Private) Limited And Associated Companies Staff Provident *</b>		
<b>Fund - Connected person - due to holding more than 10% units</b>		
Issue of Nil units (2024: 100,400 units)	-	11,291
Dividend paid	-	11,291



**CDC Trustee HBL Cash Fund - Fund under common management**

Sale of Market Treasury Bills	713,082	-
Sale of Pakistan Investment Bonds	-	416,437

**CDC Trustee HBL Multi Asset Fund - Fund under common management**

Purchase of Market Treasury Bills	5,362	-
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**2025**                      **2024**

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

**CDC Trustee HBL Total Treasury Exchange Traded Fund -**

**Fund under common management**

Purchase of Market Treasury Bills	260,171	-
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**CDC Trustee HBL Islamic Income Fund - Fund under common management \***

Sale of GoP Ijarah sukuk certificate	-	246,172
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**CDC Trustee HBL Government Securities Fund -**

**Fund under common management**

Purchase of Market Treasury Bills	10,988	-
Sale of Market Treasury Bills	192,243	-

**2025**                      **2024**

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

**CDC Trustee HBL Financial Sector Income Fund Plan I - \***

**Fund under common management**

Sale of Pakistan Investment Bonds	-	232,136
Sale of Market Treasury Bills	-	170,489

**Directors and Executives of the Management Company  
and their relatives**

Issue of 171,857 units (2024: 68,182 units)	20,186	8,226
Redemption of 281,335 units (2024: 68,915 units)	32,965	8,558
Dividend reinvestment of 2,633 units (2024: 112,133 units)	397	2,708

**18.8 Balances outstanding as at year end**

**HBL Asset Management Limited - Management Company**

Management remuneration payable including Sales Tax thereon	10,291	5,739
Selling and marketing expenses payable	-	7,906
Sales load payable	390	215
Outstanding 476,497 units (2024: Nil units)	53,977	-

**Habib Bank Limited - Sponsor**

Bank balance	10,663,081	2,444,295
Profit accrued on bank balance	14,506	7,501

**HBL Microfinance Bank - An associate**

Bank balances	66	8,505
Profit accrued on bank balances	1,334	6,131

**Jaffer Brothers (Private) Limited And Associated \***

**Companies Staff Provident Fund**

**Connected person - due to holding more than 10% units**

Outstanding nil units (2024: 567,933 units) - 64,358

**Directors and Executives of the Management Company  
and their relatives**

Outstanding 25,738 units (2024: 132,583 units) 2,916 15,024

**Central Depository Company of Pakistan Limited - Trustee**

Trustee's remuneration payable including Sales Tax thereon 477 287

Security deposit receivable 100 100

CDC charges payable 1,137 1,124

\* Counterparty is not a related party as at June 30, 2025.

**19 FINANCIAL INSTRUMENTS BY CATEGORY**

**Financial assets**

Bank balances 10,713,499 - 10,713,499

Investments - 2,356,128 2,356,128

Receivable against margin trading system 102,263 - 102,263

Interest / profit accrued 65,108 - 65,108

Deposits and other receivables 38,626 - 38,626

-----2025-----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
10,713,499	-	10,713,499
-	2,356,128	2,356,128
102,263	-	102,263
65,108	-	65,108
38,626	-	38,626
<u>10,919,496</u>	<u>2,356,128</u>	<u>13,275,624</u>
<b>Financial liabilities</b>		
Payable to HBL Asset Management Limited - Management Company	10,681	-
Payable to Central Depository Company of Pakistan Limited - Trustee	1,614	-
Unclaimed dividend	3,802	-
Dividend payable	16,697	-
Accrued expenses and other liabilities	4,331	-
<u>37,125</u>	<u>-</u>	<u>37,125</u>

	2024		Total
	At amortised cost	At fair value through profit or loss	
	----- Rupees in '000 -----		
<b>Financial assets</b>			
Bank balances	2,471,696	-	2,471,696
Investments	-	2,437,054	2,437,054
Receivable against margin trading system	6,453	-	6,453
Interest / profit accrued	124,832	-	124,832
Deposits	38,269	-	38,269
	<u>2,641,250</u>	<u>2,437,054</u>	<u>5,078,304</u>
<b>Financial liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	13,860	-	13,860
Payable to Central Depository Company of Pakistan Limited - Trustee	1,411	-	1,411
Unclaimed dividend	3,802	-	3,802
Accrued expenses and other liabilities	4,961	-	4,961
	<u>24,034</u>	<u>-</u>	<u>24,034</u>

## 20 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.

### 20.1 Market risk

Market 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.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

#### (i) 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 its balances held with banks, investments in Term finance certificates, Corporate sukuk certificates and Pakistan investment bonds. 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 KIBOR based term finance certificates, corporate sukuk certificates, Pakistan investment bonds and balances with banks 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 income for the year and net assets of the Fund would have been higher / lower by Rs. 121.729 million (2024: Rs. 42.654 million).

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund holds Pakistan investment bonds and market treasury bills which are classified as financial assets at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in applicable rates 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. 8.929 million (2024: Rs. 6.430 million). Further, margin trading system is also subject to interest rate risk but it is not carried at FVPL, therefore, there is no impact on net income or net assets due to change in market interest rates.

The composition of the Fund's investment portfolio and KIBOR 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.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

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

Effective yield / interest rate	-----2025-----				Total
	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 -----					
<b>Financial assets</b>					
Bank balances	9.00% to 11.50%	10,713,499	-	-	10,713,499
Investments	10.07% to 24.81%	-	295,498	2,060,630	2,356,128
Receivable against margin trading system		102,263	-	-	102,263
Interest / profit accrued		-	-	65,108	65,108
Deposits and other receivable		-	-	38,626	38,626
		<u>10,815,762</u>	<u>295,498</u>	<u>2,060,630</u>	<u>13,275,624</u>
<b>Financial liabilities</b>					
Payable to HBL Asset Management Limited - Management Company		-	-	10,681	10,681
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	1,614	1,614
Unclaimed dividend		-	-	3,802	3,802
Dividend payable		-	-	16,697	16,697
Accrued expenses and other liabilities		-	-	4,331	4,331
		-	-	37,125	37,125
<b>On-balance sheet gap (a)</b>		<u>10,815,762</u>	<u>295,498</u>	<u>2,060,630</u>	<u>13,238,499</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<u>10,815,762</u>	<u>295,498</u>	<u>2,060,630</u>	
<b>Cumulative interest rate sensitivity gap</b>		<u>10,815,762</u>	<u>11,111,260</u>	<u>13,171,890</u>	

Effective yield / interest rate	2024				Total
	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 -----					
<b>Financial assets</b>					
Bank balances	19% to 22.50%	2,471,696	-	-	2,471,696
Investments	15.90% to 24.08%	2,053,272	383,782	-	2,437,054
Receivable against margin trading system		6,453	-	-	6,453
Interest / profit accrued		-	-	124,832	124,832
Deposits		-	-	38,269	38,269
		4,531,421	383,782	-	5,078,304
<b>Financial liabilities</b>					
Payable to HBL Asset Management Limited - Management Company		-	-	-	13,860
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,411
Unclaimed dividend		-	-	-	3,802
Accrued expenses and other liabilities		-	-	-	4,961
		-	-	-	24,034
<b>On-balance sheet gap (a)</b>		4,531,421	383,782	-	5,054,270
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		4,531,421	383,782	-	
<b>Cumulative interest rate sensitivity gap</b>		4,531,421	4,915,203	4,915,203	

## (ii) Currency risk

This 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 a 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 and June 30, 2024 and hence, is not exposed to price risk.

## 20.2 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 off and are considered readily realisable.

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:

----- 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 -----							
<b>Financial liabilities</b>							
Payable to HBL Asset Management Limited - Management Company	10,681	-	-	-	-	10,681	
Payable to Central Depository Company of Pakistan Limited - Trustee	1,614	-	-	-	-	1,614	
Unclaimed dividend	3,802	-	-	-	-	3,802	
Dividend payable	16,697	-	-	-	-	16,697	
Accrued expenses and other liabilities	3,302	1,029	-	-	-	4,331	
	36,096	1,029	-	-	-	37,125	
	10,883,400	(1,029)	295,498	1,541,722	518,908	-	13,238,499
----- 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 -----							
<b>Financial liabilities</b>							
Payable to HBL Asset Management Limited - Management Company	13,860	-	-	-	-	13,860	
Payable to Central Depository Company of Pakistan Limited - Trustee	1,411	-	-	-	-	1,411	
Unclaimed dividend	3,802	-	-	-	-	3,802	
Accrued expenses and other liabilities	4,456	505	-	-	-	4,961	
	23,529	505	-	-	-	24,034	
	2,617,721	600,495	-	1,488,233	347,821	-	5,054,270

## 20.3 Credit risk

**20.3.1** 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	10,713,499	10,713,499	2,471,696	2,471,696
Investments	2,356,128	843,908	2,437,054	1,184,782
Receivable against margin trading system	102,263	102,263	6,453	6,453
Interest / profit accrued	65,108	39,667	124,832	67,230
Deposits and other receivable	38,626	38,626	38,269	38,269
	<u>13,275,624</u>	<u>11,737,963</u>	<u>5,078,304</u>	<u>3,768,430</u>

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

### 20.3.2 Credit quality of financial assets

The Fund's significant credit risk arises mainly on account of its placements in banks and profit accrued thereon, and against investments. The credit rating profile of balances with banks is as follows.

Rating category	Percentage of financial assets exposed to credit risk	
	2025	2024
<b>Bank balances and profit accrued thereon</b>		
AAA	81.04%	48.31%
AA-	0.35%	0.52%
AA	-	0.32%
	<u>81.39%</u>	<u>49.15%</u>
<b>Investments - Term finance certificates and corporate sukuk certificates</b>		
AAA	0.76%	2.04%
AA+	1.92%	0.39%
AA	-	4.94%
AA-	0.76%	1.90%
A+	0.06%	2.32%
A	1.02%	-
A1+	-	9.40%
A1	1.90%	3.18%
	<u>6.41%</u>	<u>24.17%</u>

### 20.3.3 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 thereby any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2025 are unsecured and are not impaired except for instruments mentioned in note 5.6.

## 21 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.

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 statement of assets and liabilities 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:

ASSETS	2025			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>	----- Rupees in '000 -----			
- Corporate sukuk certificates	-	358,055	-	358,055
- Term finance certificates	-	485,853	-	485,853
- Pakistan Investment Bonds	-	1,466,722	-	1,466,722
- Market Treasury Bills	-	45,498	-	45,498
	-	2,356,128	-	2,356,128
	----- Rupees in '000 -----			
	2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>	----- Rupees in '000 -----			
- Corporate sukuk certificates	-	638,748	-	638,748
- Term finance certificates	-	546,034	-	546,034
- Pakistan Investment Bonds	-	1,252,272	-	1,252,272
	-	2,437,054	-	2,437,054



Item	Valuation technique
Term finance certificates	Term finance certificates are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. 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.
Pakistan investment bonds - floating rate	The valuation has been derived from PKFRV rates. The PKFRV rates are announced daily by FMA (Financial Market Association) through MUFAP.
Pakistan investment bonds - fixed rate	The valuation has been derived from PKRV rates. The PKRV rates are announced daily by FMA (Financial Market Association) through MUFAP.
Market treasury bills	The valuation has been derived from PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through MUFAP.
Corporate sukuk certificates	The valuation has been determined through closing rates announced by FMA (Financial Market Association) through Reuters.

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

There were no transfers between levels during the year.

## 22 UNITS 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 in 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 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 20, 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.

## 23 UNIT HOLDING PATTERN OF THE FUND

Category	2025			2024		
	Number of Unit holders	Investment amount Rupees in '000	Percentage of total	Number of Unit holders	Investment amount Rupees in '000	Percentage of total
Associated company	1	53,977	0.41%	-	-	-
Trust	9	437,682	3.33%	12	92,034	1.85%
Retirement funds	17	516,865	3.93%	23	204,856	4.12%
Other corporate	14	692,493	5.26%	35	1,424,879	28.65%
Individuals	2,608	11,461,459	87.07%	2,523	3,251,115	65.38%
	2,649	13,162,476	100.00%	2,593	4,972,884	100.00%

**24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID**

-----2025----- Name of broker	-----2024----- Name of broker
Invest One Market Limited	Alfalah Securities (Private) Limited (formerly
Continental Exchange (Private) Limited	Alfalah CLSA Securities (Private) Limited)
AKD Securities Limited	Next Capital Limited
Vector Securities (Private) Limited	Optimus Markets (Private) Limited
BMA Capital Management Limited	C & M Management (Private) Limited
Alfalah CLSA Securities (Private) Limited	Arif Habib Limited
Magenta Capital (Private) Limited	Paramount Capital (Private) Limited
Summit Capital (Private) Limited	BMA Capital Management Limited
Optimus Capital Management (Private) Limited	Bright Capital (Private) Limited
C & M Management (Private) Limited	Icon Securities (Private) Limited
	K-Trade Limited

**25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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

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
Rahat Saeed Khan	Head of Fixed Income	MBA	27 + years
Amin Mohammad	Head of Risk	MBA	32 + years
Hammad Ali Abbas	Senior Fund Manager	MSC	20 + years

**26 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 *	6	6	-	-
Mr. Khalid Malik	9	9	-	-
Mr. Habib Yousuf Habib *	3	2	1	May 27, 2025
Ms. Sheeza Ahmed *	3	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.

**27 GENERAL**

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

**27.2** Units have been rounded off to the nearest decimal place.

**28 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 August 28, 2025.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**



**HBL Energy Fund**

<b>NAME OF FUND</b>	<b>HBL Energy Fund</b>
<b>NAME OF TRUSTEE</b>	<b>Yousuf Adil &amp; Co., Chartered Accountants</b>
<b>NAME OF AUDITORS</b>	<b>Central Depository Company of Pakistan Limited (CDC)</b>
<b>NAME OF BANKERS</b>	<b>Habib Bank Limited Allied Bank Limited MCB Bank Limited JS Bank Limited Soneri Bank Limited Zarai Taraqiati Bank Limited Habib Metropolitan Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited National Bank of Pakistan HBL Micro Finance Bank Limited</b>

**Type and Category of Fund**

Equity / Open-end

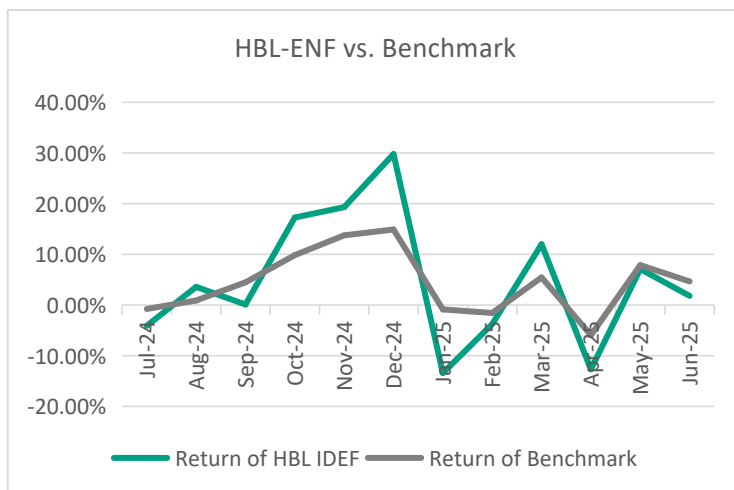
**Investment Objective and Accomplishment of Objective**

The objective is to invest in securities defined in the energy sector to provide investors access to high-quality blue-chip stocks in the Energy sector.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is KSE-30 Total Return Index.

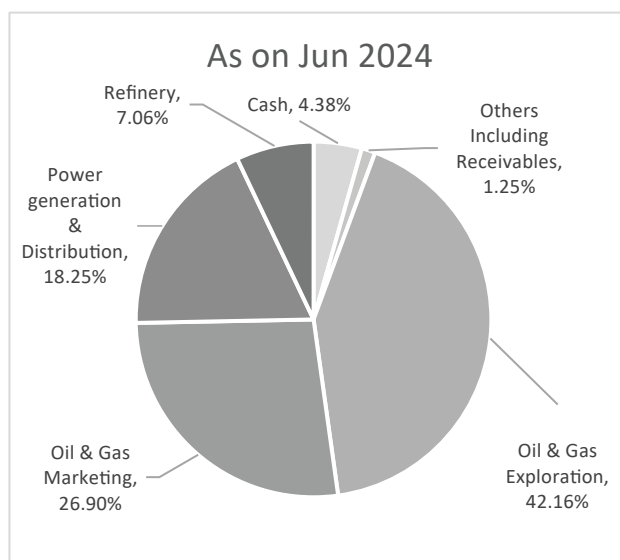
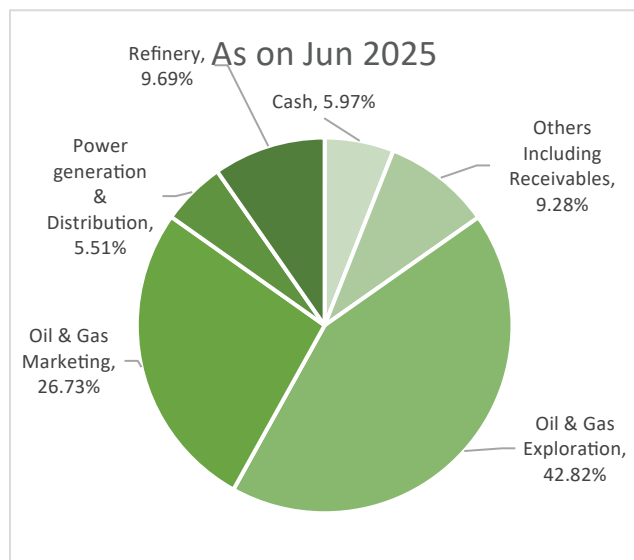
Month	Return of Fund	
	HBL -ENF	Benchmark
Jun-25	1.81%	4.66%
May-25	7.11%	7.88%
Apr-25	-12.67%	-5.93%
Mar-25	12.00%	5.45%
Feb-25	-3.76%	-1.55%
Jan-25	-13.42%	-0.86%
Dec-24	29.79%	14.91%
Nov-24	19.32%	13.75%
Oct-24	17.27%	9.85%
Sep-24	0.11%	4.48%
Aug-24	3.59%	0.90%
Jul-24	-4.08%	-0.77%



**Strategies and Policies employed during the Year**

During the year under review, the Fund decreased its exposure in equities from 94.37% on June 30, 2024 to 84.75% as on June 30, 2025. Further, 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 refinery was increased, while exposure in power and oil and gas marketing was decreased.

**Asset Allocation**



## Significant Changes in Asset Allocation during the Year

The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2025 and June 30, 2024:

Sector Name	As on Jun 2025	As on Jun 2024
Cash	5.97%	4.38%
Others Including Receivables	9.28%	1.25%
Oil & Gas Exploration	42.82%	42.16%
Oil & Gas Marketing	26.73%	26.90%
Power generation & Distribution	5.51%	18.25%
Refinery	9.69%	7.06%
Total	100.00%	100.00%

## Fund Performance

The total and net income of the Fund was Rs. 426.13 million and Rs. 351.73 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 26.7616 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.50 per unit) as compared to Rs. 16.9821 per unit as on June 30, 2024, thereby giving a return of 60.53%. During the same period the benchmark KSE 30 index yielded a return of 64.20%. The size of Fund was Rs. 1.83 billion as on June 30, 2025 as compared to Rs. 0.57 billion at the start of the year.

## Market Review

In FY25, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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 approved distribution of up-to Rs. 0.50 per unit to the unit holders 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

<b>From - To (Number of Units)</b>	<b>Number of Unit Holders</b>	<b>Total Number of Units Held</b>
1 – 100	469	7,860
101 – 500	171	42,895
501 – 1,000	3,081	2,520,696
1,001 – 10,000	1,147	3,702,222
10,001 – 100,000	249	8,474,174
500,001 – 1,000,000	6	3,749,830
100,001 – 500,000	52	11,113,168
1,000,001 – 5,000,000	11	19,784,399
5,000,001 and above	3	18,864,784
Total	5,189	68,259,847

### 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 ENERGY FUND**  
As at June 30, 2025

	2025	2024	2023	2022	2021	2020
Net assets at the period end(Rs'000)	1,826,744	566,732	241,498	431,182	774,522	570,810
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>						
Redemption	26.7616	16.9821	9.8261	9.8637	11.9855	10.0106
Offer	27.3771	17.3659	10.0482	10.0866	12.2564	10.2368
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>						
Highest offer price per unit	31.7656	18.7607	11.27	12.3229	13.2351	14.3597
Lowest offer price per unit	16.5654	10.8489	9.28	9.5629	10.3691	7.8038
Highest redemption price per unit	31.0514	18.3461	11.02	12.0506	12.9426	14.0423
Lowest redemption price per unit	16.193	10.6091	9.07	9.3516	10.1399	7.6313
<b>RETURN ( % )</b>						
Total return	60.53%	77.92%	-0.38%	-17.70%	19.73%	-9.98%
Income distribution	2.94%	5.09%	0.00%	0.00%	0.00%	0.00%
Capital growth	57.59%	72.83%	-0.38%	-17.70%	19.73%	-9.98%
<b>DISTRIBUTION</b>						
Final dividend distribution (Rs)	0.50	0.50	0	0	0	0
Date of Income Distribution	29-Jun-25	28-Jun-24	0	0	0	0
Total dividend distribution for the year/ period (Rs)	0.50	0.50	0	0	0	0
<b>AVERAGE RETURNS ( % )</b>						
Average annual return 1 year	60.53%	77.92%	-0.38%	-17.70%	19.73%	-9.98%
Average annual return 2 year	69.00%	33.13%	-9.45%	-0.73%	3.82%	-17.44%
Average annual return 3 year	41.70%	13.41%	-0.62%	-3.92%	-6.55%	-12.68%
<b>PORTFOLIO COMPOSITION - (%)</b>						
Percentage of Total Assets as at 30 June:						
Bank Balances	6%	4%	9%	5%	2%	7%
Stock / Equities	85%	94%	81%	94%	94%	93%
Others Including receivables	9%	1%	10%	1%	5%	1%

**Note:**

- The Launch date of the Fund is January 2006
- PICIC energy fund converted from closed end scheme to open end scheme effective from June 25, 2013

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

HBL EF	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:**

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

**TRUSTEE REPORT TO THE UNIT HOLDERS**



**HBL ENERGY FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Company 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 Unit Holders of HBL Energy Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **HBL Energy 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	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6.1 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 1,905.49 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.</p> <p>We have identified the existence and valuation as the significant areas during our audit of investment.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> <li>• tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li> <li>• 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;</li> <li>• 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;</li> </ul>

#### **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.

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: AR202510057Pw9ZHdYte

**HBL Energy Fund**  
**Statement of Assets And Liabilities**  
As at June 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	5	114,996	25,952
Investments	6	1,905,490	558,944
Dividend and mark-up receivable	7	628	532
Advances, deposits and prepayments	8	3,078	3,077
Receivable from Management Company	9	1,330	2,483
Receivable against sale of investments		-	1,358
<b>TOTAL ASSETS</b>		<b>2,025,522</b>	<b>592,346</b>
<b>LIABILITIES</b>			
Payable to the Management Company	10	8,765	1,732
Payable to the Trustee	11	465	105
Payable to Securities and Exchange Commission of Pakistan	12	163	44
Unclaimed dividend		5,382	5,382
Dividend payable		5,203	-
Payable against redemption of units		157,865	-
Accrued expenses and other liabilities	13	20,935	18,351
<b>TOTAL LIABILITIES</b>		<b>198,778</b>	<b>25,614</b>
<b>NET ASSETS</b>		<b>1,826,744</b>	<b>566,732</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,826,744</b>	<b>566,732</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>	15	<b>68,259,847</b>	<b>33,372,321</b>
		-----Rupees-----	
<b>NET ASSETS VALUE PER UNIT</b>	4.8	<b>26.7616</b>	<b>16.9821</b>

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) -----	
<b>INCOME</b>		
Capital gain on sale of investment - net	114,784	88,724
Dividend income	83,352	27,036
Mark-up on bank deposits	6,978	8,758
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.2 <u>221,020</u>	61,091
	<u>426,134</u>	<u>185,609</u>
<b>EXPENSES</b>		
Remuneration of the Management Company	10.1 <u>49,755</u>	10,210
Sindh Sales Tax on remuneration of the Management Company	10.2 <u>7,463</u>	1,327
Allocated expenses	10.3 <u>449</u>	1,588
Sindh Sales Tax on allocated expenses	<u>67</u>	238
Selling and marketing expenses	10.4 <u>-</u>	2,088
Remuneration of Trustee	11.1 <u>2,558</u>	924
Sindh Sales Tax on remuneration of the trustee	11.2 <u>384</u>	120
Securities and Exchange Commission of Pakistan fee	12.1 <u>1,403</u>	438
Auditors' remuneration	16 <u>838</u>	742
Fee and subscription	<u>226</u>	223
Legal charges	<u>150</u>	150
Securities transaction costs and settlement charges	<u>12,156</u>	5,476
Reimbursement of expenses from Management Company	9 <u>(1,330)</u>	(2,483)
Bank charges	<u>290</u>	97
<b>Total Expenses</b>	<u>74,409</u>	<u>21,138</u>
<b>Net Income for the year from operating activities before taxation</b>	<u>351,725</u>	<u>164,471</u>
Taxation	17 <u>-</u>	-
<b>Net Income for the year after taxation</b>	<u>351,725</u>	<u>164,471</u>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	351,725	164,471
Income already paid on redemption of units	<u>(218,239)</u>	<u>(49,222)</u>
	<u>133,486</u>	<u>115,249</u>
<b>Accounting income available for distribution:</b>		
Relating to capital gains	<u>127,444</u>	<u>103,817</u>
Excluding capital gains	<u>6,042</u>	<u>11,432</u>
	<u>133,486</u>	<u>115,249</u>
<b>Earnings per unit</b>	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**



**HBL Energy Fund**  
**Statement of Comprehensive Income**  
For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
	------(Rupees in '000) -----	
<b>Net Income for the year after taxation</b>	<b>351,725</b>	164,471
Other comprehensive income	-	-
<b>Total comprehensive Income for the year</b>	<b>351,725</b>	164,471

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 Energy Fund**  
**Statement of Unitholder'S Fund**  
For the year ended June 30, 2025

	2025			2024		
	Capital value	Accumulated loss	Total	Capital value	Accumulated loss	Total
	----- (Rupees in '000) -----					
<b>Net assets at beginning of the year</b>	583,203	(16,471)	566,732	362,741	(121,243)	241,498
<b>Issuance of units 190,124,221 (2024: 92,754,587 units)</b>						
Capital value (at net asset value per unit at the beginning of the year)	3,228,709	-	3,228,709	911,418	-	911,418
Element of income	1,807,333	-	1,807,333	489,951	-	489,951
<b>Total proceeds on issuance of units</b>	<b>5,036,042</b>	<b>-</b>	<b>5,036,042</b>	<b>1,401,369</b>	<b>-</b>	<b>1,401,369</b>
<b>Redemption of units 155,236,695 (2024: 83,959,397 units)</b>						
Capital value (at net asset value per unit at the beginning of the year)	(2,636,245)	-	(2,636,245)	(824,993)	-	(824,993)
Income already paid on redemption of units	-	(218,239)	(218,239)	-	(49,222)	(49,222)
Element of income	(1,239,614)	-	(1,239,614)	(350,138)	-	(350,138)
<b>Total payments on redemption of units</b>	<b>(3,875,859)</b>	<b>(218,239)</b>	<b>(4,094,098)</b>	<b>(1,175,131)</b>	<b>(49,222)</b>	<b>(1,224,353)</b>
Total comprehensive Income / (loss) for the year	-	351,725	351,725	-	164,471	164,471
Final distribution for the year ended 2025 @ Re. 0.5 per unit declared on June 29, 2025 (2024: Re. 0.5 per unit)	-	(22,015)	(22,015)	-	(10,477)	(10,477)
Refund of capital	(11,642)	-	(11,642)	(5,776)	-	(5,776)
	(11,642)	329,710	318,068	(5,776)	153,994	148,218
<b>Net assets at end of the year</b>	<b>1,731,744</b>	<b>95,000</b>	<b>1,826,744</b>	<b>583,203</b>	<b>(16,471)</b>	<b>566,732</b>
<b>Undistributed loss brought forward</b>						
Realised loss		(77,562)			(112,636)	
Unrealised gain		61,091			(8,607)	
		(16,471)			(121,243)	
<b>Accounting income available for distribution</b>						
Relating to capital gains		127,444			103,817	
Excluding capital gains		6,042			11,432	
		133,486			115,249	
Distributions during the year		(22,015)			(10,477)	
<b>Undistributed gain / (loss) carried forward</b>		<b>95,000</b>			<b>(16,471)</b>	
<b>Undistributed gain / (loss) carried forward:</b>						
Realised loss		(126,020)			(77,562)	
Unrealised gain		221,020			61,091	
		95,000			(16,471)	
		(Rupees)			(Rupees)	
<b>Net assets value per unit at beginning of the year</b>	<b>16.9821</b>			<b>9.8261</b>		
<b>Net assets value per unit at end of the year</b>	<b>26.7616</b>			<b>16.9821</b>		

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) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	351,725	164,471
<b>Adjustments for non cash and other items:</b>		
Capital gain on sale of investment - net	(114,784)	(88,724)
Dividend income	(83,352)	(27,036)
Mark-up on bank deposits	(6,978)	(8,758)
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	(221,020)	(61,091)
	<u>(74,409)</u>	<u>(21,138)</u>
<b>Increase in assets</b>		
Investments - net	(1,010,742)	(164,558)
Receivable from Management Company	1,153	(2,483)
Receivable against sale of units	-	1,667
Receivable against sale of investments	1,358	(1,358)
Advances, deposits and prepayments	(1)	(3)
	<u>(1,008,232)</u>	<u>(166,735)</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	7,033	513
Payable to the Trustee	360	60
Payable to Securities and Exchange Commission of Pakistan	119	(17)
Payable against purchase of investments	-	(12,798)
Dividend payable to unit holders	5,203	-
Payable against redemption of units	157,865	-
Accrued expenses and other liabilities	2,584	2,622
	<u>173,164</u>	<u>(9,620)</u>
<b>Cash used in operations</b>	<u>(909,477)</u>	<u>(197,493)</u>
Dividend received	83,328	27,019
Mark-up received on bank deposits	6,907	8,890
	<u>90,235</u>	<u>35,909</u>
Net cash used in operating activities	<u>(819,242)</u>	<u>(161,584)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	5,036,042	1,395,593
Payment against redemption of units	(4,094,098)	(1,224,353)
Dividend paid	(33,657)	(10,477)
Net cash generated from financing activities	<u>908,287</u>	<u>160,763</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>89,045</u>	<u>(821)</u>
Cash and cash equivalents at the beginning of the year	<u>25,952</u>	<u>26,773</u>
<b>Cash and cash equivalents at end of the year</b>	<u>114,996</u>	<u>25,952</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

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

**1.1** HBL Energy Fund ("the Fund") was established in 2006 as a closed-end scheme 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.

**1.2** Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. 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. 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 (AKFED), S.A. is the parent company of Habib Bank Limited.

**1.4** Since the effective date of conversion, the certificates of the closed-end scheme were de-listed from Pakistan Stock Exchange. Units of the open-end scheme are listed on the Pakistan Stock Exchange Limited. The units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

**1.5** 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.

**1.6** The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

**1.7** The core objective of the Fund is to invest in securities of the energy sector in Pakistan so as to provide investors an access to high quality blue chip stocks in the energy sector. The eligible stocks comprise of investment in shares of companies engaged in the following activities:

- Oil and Gas Exploration
- Oil and Gas Marketing
- Oil Refining
- Power Generation and Distribution

**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 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 the 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 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 4.2.1.1 and 6)
- Impairment of financial assets (note 4.2.1.3)
- Provision (note 4.4)
- Taxation (notes 4.5 and 17)
- Classification and measurements of financial liabilities (note 4.2.2.1)
- Contingencies and Commitments (note 14)

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.

### 3. APPLICATION OF NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

#### 3.1 New amendments and 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

#### 3.2 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.

	<b>Effective from Accounting period beginning on or after</b>
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
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 POLICY 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 bank 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. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

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

##### **4.2.1 Financial assets**

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

##### **4.2.1.1 Classification and measurement of financial assets**

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

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

##### **Financial assets at amortised cost (debt instruments)**

Financial assets at amortised cost are subsequently measured using the effective interest rate 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.

#### **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.

#### **4.2.1.2 Fair value measurement principles**

The fair value of financial instruments is determined as follows:

##### **Basis of valuation of government debt securities:**

The government 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) which are based on the remaining tenure of the securities.

##### **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.

"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."



#### **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**

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

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

#### **4.2.2 Financial liabilities**

##### **4.2.2.1 Classification and measurement of financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest 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.

##### **4.2.2.2 Derecognition**

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

#### **4.2.3 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 and accumulated loss, 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 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 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.
- Mark up on bank deposits is recognised on a time apportionment basis using effective rate.
- Income / profit from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Unrealised gain / (loss) arising on re-measurement of investments 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 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.

	Note	June 30, 2025	June 30, 2024
----- (Rupees in '000) -----			
<b>5. BANK BALANCES</b>			
Cash at bank:			
In current accounts		11	11
In savings accounts	5.1	114,985	25,941
		<b>114,996</b>	<b>25,952</b>

**5.1** These carry mark-up at rates ranging between 8% to 12% per annum (2024: 18% to 21.75% per annum). This includes an amount held by related parties, Habib Bank Limited amounting to Rs. 1.607 million (2024: Rs. 1.115 million) on which mark-up is earned at rate of 11.50% per annum (2024: 19.5% per annum) and HBL Microfinance Bank Limited amounting to Rs. 0.0382 million (2024: Rs. 0.0382 million) on which mark-up is earned at rate of 11.25% per annum (2024: 21.75% per annum).

June 30,                      June 30,  
**2025**                              2024  
----- (Rupees in '000) -----

**6. INVESTMENTS**

**Financial assets at fair value through profit or loss**

Listed equity securities	6.1	<b>1,905,490</b>	<b>558,944</b>
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**6.1 Financial assets at fair value through profit or loss - Listed equity securities**

Shares of Listed Companies - Fully paid up ordinary shares of Rupees 10 each unless stated otherwise

Name of the Investee Company	Notes	Face value					As at June 30, 2025			Market value as percentage of total investments	Market value as percentage of net assets	Par value as a percentage of paid-up capital of the investee company
		As at July 1, 2024	Purchases during the year	Bonus Issue (6.1.2)	Sales during the year	As at June 30, 2025	Carrying value	Market Value	Unrealized gain			
					(Number of shares)							
<b>Oil and Gas Exploration Companies</b>												
Mari Energies Limited (formerly Mari petroleum Company Limited)	6.1.1	9,864	425,336	197,600	613,040	19,760	12,509	12,387	(122)	0.65	0.68	0.00
Oil and Gas Development Company Limited	6.1.1	848,000	2,256,528	-	1,142,628	1,961,900	386,918	432,717	45,799	22.71	23.69	0.05
Pakistan Oilfields Limited		-	252,450	-	252,450	-	-	-	-	0.00	0.00	-
Pakistan Petroleum Limited	6.1.1	923,400	2,394,036	-	779,000	2,538,436	404,117	431,966	27,849	22.67	23.65	0.09
							<b>803,544</b>	<b>877,070</b>	<b>73,526</b>	<b>46.03</b>	<b>48.01</b>	<b>0.14</b>
<b>Oil and Gas Marketing Companies</b>												
Attock Petroleum Limited	6.1.1	-	3,500	-	3,500	-	-	-	-	0.00	0.00	-
Pakistan State Oil Company Limited		482,889	958,480	-	273,347	1,168,022	326,864	440,963	114,099	23.14	24.14	0.25
Sui Northern Gas Pipelines Limited		1,246,000	6,855,952	-	6,181,662	1,920,290	211,065	224,117	13,052	11.76	12.27	0.30
							<b>537,929</b>	<b>665,080</b>	<b>127,151</b>	<b>34.90</b>	<b>36.41</b>	<b>0.54</b>
<b>Power Generation and Distribution</b>												
The Hub Power Company Limited		490,751	519,500	-	696,251	314,000	43,582	43,272	(310)	2.27	2.37	-
K-Electric Limited*		6,059,090	39,340,600	-	23,970,277	21,429,413	107,760	112,505	4,745	5.90	6.16	0.08
							<b>151,342</b>	<b>155,777</b>	<b>4,435</b>	<b>8.18</b>	<b>8.53</b>	<b>0.08</b>
<b>Refinery</b>												
Attock Refinery Limited	6.1.1	74,100	764,641	-	533,241	305,500	191,655	207,563	15,908	10.89	11.36	0.29
National Refinery Limited		40,800	-	-	40,800	-	-	-	-	0.00	0.00	-
Pakistan Refinery Limited	6.1.1	213,000	5,142,814	-	5,355,814	-	-	-	-	0.00	0.00	0.00
							<b>191,655</b>	<b>207,563</b>	<b>15,908</b>	<b>10.89</b>	<b>11.36</b>	<b>0.29</b>
<b>Total as at June 30, 2025</b>							<b>1,684,470</b>	<b>1,905,490</b>	<b>221,020</b>			
<b>Total as at June 30, 2024</b>							<b>497,853</b>	<b>558,944</b>	<b>61,091</b>			

\*These shares have par value of Rs. 3.5 each.

**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 Refinery Limited	<b>10,000</b>	-	<b>6,794</b>	-
Mari Energies Limited	-	5,000	-	13,562
Oil and Gas Development Company Limited	<b>1,044,000</b>	326,000	<b>230,265</b>	44,131
Pakistan Petroleum Limited	<b>1,385,000</b>	255,000	<b>235,685</b>	29,863
Pakistan Refinery Limited	-	-	-	-
Pakistan State Oil Company Limited	<b>557,480</b>	-	<b>210,465</b>	-
The Hub Power Company Limited	-	100,000	-	16,308
	<b>2,996,480</b>	686,000	<b>683,209</b>	103,864

6.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax was 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), 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 companies have withheld the share equivalent to 5% of bonus announcement of the Fund. 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 period end.

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 aforementioned stay got vacated automatically.

Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of the Income Tax Ordinance, 2001 (the Ordinance) 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.

The CISs 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 at adjudication 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. These shares so withheld represent 2,389 shares of PSO having aggregate fair value of Rs. 28.439 million (2024: 0.397 million).

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 19,760 shares, having aggregate fair value of 12.387 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

6.2	Net unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss' - net	Note	June 30, 2025 ----- (Rupees in '000) -----	June 30, 2024
	Market value of investments		1,905,490	558,944
	Less: Carrying value of investments		1,684,470	497,853
			<u>221,020</u>	<u>61,091</u>

**7. DIVIDEND AND MARK-UP RECEIVABLE**

Dividend receivable		146	122
Mark-up receivable on savings account		482	410
		628	532

**8. ADVANCES, DEPOSITS AND PREPAYMENTS**

Security deposits with:			
National Clearing Company of Pakistan Limited		2,500	2,500
Central Depository Company of Pakistan Limited		300	300
Advance tax	8.1	274	274
Prepaid expenses		4	3
		3,078	3,077

**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 150 and 151 of ITO 2001. Management is confident that the same shall be refunded after filing refund application. Refund has been filed upto tax year 2021.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>9. RECEIVABLE FROM MANAGEMENT COMPANY</b>			
Receivable against expense reimbursement	9.1	1,330	2,483

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

During the year ended June 30, 2025, the Fund was in breach of the total expense ratio 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 total expense ratio.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>10. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable to the Management Company	10.1	5,851	1,057
Sindh Sales Tax payable on Management Company's remuneration	10.2	878	137
Allocated Expenses	10.3	-	-
Selling and marketing expenses payable	10.4	-	538
Sales load payable		2,036	-
		<u>8,765</u>	<u>1,732</u>

**10.1** As per the amendment in regulation 61 of the 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 4% per annum of average annual net assets. During the year, the fee is being charged at the rate ranging between 2% to 3.40% of the average annual net assets accordingly. The fee is payable monthly in arrears

**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. However, prior to such amendment, the Management Company charged such allocated expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

**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
	Note	----- (Rupees in '000) -----	
<b>11. PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	11.1	404	93
Sindh Sales Tax payable on remuneration of Trustee	11.2	61	12
		<u>465</u>	<u>105</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 annual net assets of the Fund. The fee is paid to the Trustee on monthly in arrears.

- Up to Rs. 1 billion      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 on amount exceeding Rs. 1 billion

**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
	Note	----- (Rupees in '000) -----	
<b>12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
SECP fee payable	12.1	<u>163</u>	<u>44</u>
<b>12.1</b>	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
	Note	----- (Rupees in '000) -----	
<b>13. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Provision for Federal Excise Duty (FED)	13.1	<b>13,920</b>	13,920
Withholding tax payable		<b>4,745</b>	3,383
Brokerage payable		<b>1,171</b>	87
Auditors' remuneration		<b>527</b>	430
Zakat payable		<b>281</b>	251
Printing and stationery		<b>125</b>	57
Settlement charges payable		<b>73</b>	42
Legal and professional charges		<b>62</b>	150
Others payable		<b>31</b>	31
		<u><b>20,935</b></u>	<u>18,352</u>

**13.1** 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.

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.

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. 13.92 million (2024: Rs.13.92 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. 0.20 per unit (2024: Re. 0.42 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-----	
<b>15. NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	<b>33,372,321</b>	24,577,131
Add: Units issued during the year	<b>190,124,221</b>	92,754,587
Less: Units redeemed during the year	<b>(155,236,695)</b>	(83,959,397)
	<hr/> <b>68,259,847</b> <hr/>	<hr/> 33,372,321 <hr/>
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>16. AUDITORS' REMUNERATION</b>		
Annual audit fee	<b>523</b>	463
Fee for half yearly review	<b>178</b>	158
Other certifications and out of pocket expenses	<b>75</b>	66
	<hr/> <b>776</b> <hr/>	<hr/> 687 <hr/>
Sales tax	<b>62</b>	55
	<hr/> <b>838</b> <hr/>	<hr/> 742 <hr/>

**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 Regulation, 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 5.04% (2024: 4.58%) which includes 0.73% (2024: 0.53%) representing Government Levies and the SECP Fee, therefore TER excluding Government levies and SECP fee is 4.30%. 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 'Equity scheme'.

**19. TRANSACTIONS AND BALANCES 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 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.

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

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the Trust Deed respectively.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

	June 30, 2025	June 30, 2024
	------(Rupees in '000)-----	
<b>19.1 Details of transactions with related parties / connected persons during the year:</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	49,755	10,210
Sindh Sales Tax on remuneration of the Management Company	7,463	1,327
Allocated Expense	449	1,588
Sindh Sales Tax on allocated expenses	67	238
Selling and marketing expense	-	2,088
Expense reimbursement from Management Company	1,330	2,483
Issue of 39,333 units (2024: 3,216,539 units)	1,239	56,562
Redemption of 738,495 units (2024: Nil)	20,000	-
Amount received from Management Company against issuance to unitholders*	1,783	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee	2,558	924
Sindh Sales Tax on remuneration of the trustee	384	120
CDS charges	245	127
<b>Habib Bank Limited - Sponsor</b>		
Bank charges	277	54
Mark-up on bank deposits	1,581	700
<b>MCB Bank Limited - Connected person due to holding more than 10% units:</b>		
Markup on bank deposit	1,406	-
<b>DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan - Fund under common management</b>		
Redemption of 521,371 units (2024: 521,371 units)	-	7,256

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Directors and Executives of the Management Company</b>		
Issue of 6,708,763 units (2024: 6,175,519 units)	184,380	95,763
Redemption of 6,195,249 units (2024: 6,164,359 units)	165,124	96,521
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>19.2 Balance outstanding as at the year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	5,851	1,057
Sindh Sales Tax payable on remuneration of the Management Company	878	137
Selling and marketing expenses payable	-	538
Sales load payable	2,036	-
Units held: 2,517,377 units (2024: 3,216,539 units)	67,369	56,189
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	404	93
Sindh Sales Tax payable on Trustee Remuneration	61	12
Security deposit	300	300
CDS charges payable	31	-
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	1,608	1,115
<b>Directors and Executives of the Management Company</b>		
Units held: 2,225,187 units (2024: 1,710,516 units)	59,550	29,880
<b>MCB Bank Limited- Connected person due to holding more than 10% units:</b>		
Bank balances	8,432	16,760
Mark-up receivable	259	-
<b>HBL Micro Finance Bank Limited -Associate</b>		
Bank balances	38	38

\*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 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:

	Description	Valuation approach and input used
<b>Level 1:</b>	quoted prices in active markets for identical assets or liabilities;	Listed equity securities are valued at the rates quoted on PSX.
<b>Level 2:</b>	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 investments classified at level 2.
<b>Level 3:</b>	those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).	There were no investments classified at level 3.

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	Carrying amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
<b>Financial assets measured at fair value</b>							
Listed equity securities	1,905,490	-	1,905,490	1,905,490	-	-	1,905,490
<b>Financial assets not measured at fair value</b>							
Bank balances	-	114,996	114,996				
Dividend and mark-up receivable	-	628	628				
Receivable from Management Company	-	1,330	1,330				
Deposits	-	2,800	2,800				
	-	119,754	119,754				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	7,887	7,887				
Payable to the Trustee	-	404	404				
Unclaimed dividend	-	5,382	5,382				
Dividend payable	-	5,203	5,203				
Accrued expenses and other liabilities	-	1,919	1,919				
	-	20,795	20,795				

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			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Rupees in '000							
<b>Financial assets measured at fair value</b>							
Listed equity securities	558,944	-	558,944	558,944	-	-	558,944
<b>Financial assets not measured at fair value</b>							
Bank balances	-	25,952	25,952				
Dividend and mark-up receivable	-	532	532				
Receivable from Management Company	-	2,483	2,483				
Receivable against sale of investments	-	1,358	1,358				
Deposits	-	2,800	2,800				
	-	33,125	33,125				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	1,595	1,595				
Payable to the Trustee	-	93	93				
Unclaimed dividend	-	5,382	5,382				
Accrued expenses and other liabilities	-	765	765				
	-	7,835	7,835				

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 equity securities. These Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### 21.1 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 price risk.

#### 21.1.1 Currency risk

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

#### 21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2025, the Fund is exposed to such risk on bank balances, investments in term finance certificates 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:

	Note	June 30, 2025	June 30, 2024
----- (Rupees in 000) -----			
<b>Variable rate instrument (financial asset)</b>			
Bank balances	5	114,996	25,952

#### a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for bank balances, the interest rates on which range between 8% to 12% (2024: 18.0% to 21.75%) per annum.

The Fund's interest rate risk arises from the bank balances. In case of 100 basis points (decrease) / increase in interest rates on June 30, 2025 with all other variables held constant, the net assets for the year would have been higher / lower by Rs. 1.14 million (2024: Rs. 0.25 million).

**b) Sensitivity analysis for fixed rate instruments**

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

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

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)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank Balances	8.0 - 12	114,985	-	-	11	114,996
Listed equity securities		-	-	-	1,905,490	1,905,490
Dividend and mark-up receivable		-	-	-	628	628
Deposits		-	-	-	2,800	2,800
		<b>114,985</b>	<b>-</b>	<b>-</b>	<b>1,908,929</b>	<b>2,023,914</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	7,887	7,887
Payable to the Trustee		-	-	-	404	404
Unclaimed dividend		-	-	-	5,382	5,382
Dividend payable		-	-	-	5,203	5,203
Accrued expenses and other liabilities liabilities		-	-	-	1,919	1,919
		<b>-</b>	<b>-</b>	<b>-</b>	<b>20,795</b>	<b>20,795</b>

Particulars	As at June 30, 2024					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)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank Balances	18.0 - 21.50	25,941	-	-	11	25,952
Listed equity securities		-	-	-	558,944	558,944
Dividend and mark-up receivable		-	-	-	532	532
Receivable against sale of investments		-	-	-	1,358	1,358
Advances, deposits and prepayments		-	-	-	2,800	2,800
		<b>25,941</b>	<b>-</b>	<b>-</b>	<b>563,645</b>	<b>589,586</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	1,595	1,595
Payable to the Trustee		-	-	-	93	93
Unclaimed dividend		-	-	-	5,382	5,382
Accrued expenses and other liabilities		-	-	-	765	765
		<b>-</b>	<b>-</b>	<b>-</b>	<b>7,835</b>	<b>7,835</b>

### 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 on the Statement of Financial Position 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 / NBFC Regulations, also limit the individual investment in equity securities upto 20% 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 profit for the year would decrease / increase by Rs. 95.27 million (2024: Rs. 27.95 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.

### 21.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counterparty credit risks on bank balances. The credit risk on the fund is limited because the counterparties are banks 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.

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	114,985	114,985	25,941	25,941
Investments in Listed securities	1,905,490	-	558,944	-
Dividend and mark-up receivable	628	628	532	532
Deposits	2,800	2,800	2,803	2,803
	<b>2,023,903</b>	<b>118,413</b>	588,220	29,276

### 21.2.1 Management of credit risk

For banks and financial institutions, 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 analysis below summarises the credit quality of the funds' bank balances as at June 30, 2025 and June 30, 2024.

Name of the bank	Balance as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
Rupees in '000			
<b>Current account</b>			
MCB Bank Limited	10	AAA	PACRA
Habib Metropolitan Bank Limited	1	AA+	PACRA
<b>Savings accounts</b>			
JS Bank Limited	588	AA	PACRA
MCB Bank Limited	8,422	AAA	PACRA
Soneri Bank Limited	104,229	AA-	PACRA
Habib Bank Limited	1,608	AAA	VIS
Zarai Taraqiati Bank Limited	22	AAA	VIS
Khushali Microfinance Bank Limited	32	A-	VIS
U Microfinance Bank	9	A+	PACRA
Allied Bank Limited	3	AAA	PACRA
Habib Metro Bank Limited	10	AA+	PACRA
Mobilink Microfinance Bank Limited	12	A	VIS
HBL Microfinance Bank Limited	38	A+	PACRA
National Bank of Pakistan	12	AAA	PACRA
	<b>114,996</b>		

Name of the bank	Balance as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
Rupees in '000			
<b>Current account</b>			
MCB Bank Limited	10	AAA	PACRA
Habib Metropolitan Bank Limited	1	AA+	PACRA
<b>Savings accounts</b>			
JS Bank Limited	528	AA	PACRA
MCB Bank Limited	16,750	AAA	PACRA
Soneri Bank Limited	7,410	AA-	PACRA
Habib Bank Limited	1,115	AAA	VIS
Zarai Taraqiati Bank Limited	22	AAA	VIS
Khushali Microfinance Bank Limited	32	A+	VIS
U Microfinance Bank	9	A+	VIS
Allied Bank Limited	3	AAA	PACRA
Habib Metropolitan Bank Limited	10	AA+	PACRA
Mobilink Microfinance Bank Limited	12	A	VIS
HBL Microfinance Bank Limited	38	A+	PACRA
National Bank of Pakistan	12	AAA	PACRA
	<b>25,952</b>		



The maximum exposure to credit risk before considering any collateral as at June 30, 2025 and June 30, 2024 is the carrying amount of the financial assets other than investments in equity securities.

**21.2.2** The analysis below summarizes the credit quality of the Fund's credit exposure:

	June 30, 2025	June 30, 2024
	----- (Percentage) -----	
<b>Rating by rating category</b>		
AAA	8.76	69.02
AA+	0.01	0.04
AA	0.51	2.03
AA-	90.64	28.55
A+	0.04	0.30
A	0.01	0.05
A-	0.03	0.00

**Concentration of credit risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect group 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 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 using the central clearing system.

**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 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.

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 ten percent 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 balance sheet 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	Financial instruments with no fixed maturity	Total
Rupees in '000 -----						
<b>Financial assets</b>						
Bank balances	114,996	-	-	-	-	114,996
Investments	-	-	-	-	1,905,490	1,905,490
Dividend and mark-up receivable	628	-	-	-	-	628
Deposits	2,800	-	-	-	-	2,800
	<b>118,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,905,490</b>	<b>2,023,914</b>
<b>Financial liabilities</b>						
Payable to Management Company	7,887	-	-	-	-	7,887
Payable to Trustee	404	-	-	-	-	404
Unclaimed dividend	5,382	-	-	-	-	5,382
Dividend payable	5,203	-	-	-	-	5,203
Accrued expenses and other liabilities	1,919	-	-	-	-	1,919
	<b>20,795</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,795</b>
<b>On-balance sheet gap</b>	<b>97,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,905,490</b>	<b>2,003,119</b>
<b>Total liquidity risk sensitivity gap</b>	<b>97,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,905,490</b>	<b>2,003,119</b>
<b>Cumulative liquidity risk sensitivity gap</b>	<b>97,629</b>	<b>97,629</b>	<b>97,629</b>	<b>97,629</b>	<b>2,003,119</b>	<b>4,006,238</b>
Rupees in '000 -----						
<b>June 30, 2024</b>						
Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
Rupees in '000 -----						
<b>Financial assets</b>						
Bank balances	25,952	-	-	-	-	25,952
Investments	-	-	-	-	558,944	558,944
Dividend and mark-up receivable	532	-	-	-	-	532
Advances and deposits	2,803	-	-	-	-	2,803
Receivable against sale of investments	-	-	-	-	-	-
	<b>29,287</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,944</b>	<b>588,231</b>
<b>Financial liabilities</b>						
Payable to Management Company	1,595	-	-	-	-	1,595
Payable to Trustee	93	-	-	-	-	93
Dividend payable	5,382	-	-	-	-	5,382
Accrued expenses and other liabilities	765	-	-	-	-	765
	<b>7,835</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,835</b>
<b>On-balance sheet gap</b>	<b>21,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,944</b>	<b>580,396</b>
<b>Total liquidity risk sensitivity gap</b>	<b>21,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>558,944</b>	<b>580,396</b>
<b>Cumulative liquidity risk sensitivity gap</b>	<b>21,452</b>	<b>21,452</b>	<b>21,452</b>	<b>21,452</b>	<b>580,396</b>	<b>1,160,792</b>

## 22. UNIT 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 the 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.

## 23. 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. Arif Habib Limited
4. DJM Securities Limited
5. JS Global Capital Limited
6. Topline Securities Limited
7. Fortune Securities Limited
8. Chase Securities Pakistan (Private) Limited
9. Ktrade 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. EFG Hermes Pakistan Limited
4. JS Global Capital Limited
5. Arif Habib Limited
6. Spectrum Securities (Private) Limited
7. Topline Securities (Private) Limited
8. Next Capital Limited
9. Insight Securities (Private) Limited
10. Aba Ali Habib 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
2.	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29.9
3.	Amin Mohammad	Head of Risk	MBA	32.6
4.	Wasim Akram	Senior Fund Manager	MBA	21.5

**25. 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 Rupees in '000	Percentage -----%-----
Individuals	5,132	55,939,340	1,497,027	81.95
Associated Company	1	16,999	455	0.02
Insurance Companies	2	4,247	115	0.01
Banks and DFIs	2	6,479,263	173,395	9.49
Retirement Funds	10	419,045	11,214	0.61
Other Corporates	29	2,836,051	75,897	4.15
NBFCs	3	39,500	1,057	0.06
Trusts	3	8,025	215	0.01
Asset Management Company	1	2,517,377	67,369	3.69
	<b>5,183</b>	<b>68,259,847</b>	<b>1,826,744</b>	<b>100</b>

Pattern of unit holding as at June 30, 2024 is as follows:

Category	Number of unit holders	Number of units held	Investment amount Rupees in '000	Percentage -----%-----
Individuals	4,551	21,718,841	368,830	65.08
Associated Company	1	3,216,539	54,624	9.64
Insurance Company	1	4,035	69	0.01
Banks and DFIs	3	6,660,356	113,107	19.96
Retirement Funds	11	733,048	12,449	2.20
Other Corporates	19	410,613	6,973	1.23
NBFCs	2	3,235	55	0.01
Trusts	6	625,655	10,625	1.87
	<b>4,594</b>	<b>33,372,321</b>	<b>566,732</b>	<b>100</b>

**26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS**

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	-	-

1 \*Completed term and retire on April 28, 2025.

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

3 \*\*\*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**

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 Equity Fund**

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL Equity Fund</b>
<b>NAME OF TRUSTEE</b>	<b>Yousuf Adil &amp; Co., Chartered Accountants</b>
<b>NAME OF AUDITORS</b>	<b>BDO Ebrahim &amp; Co. Chartered Accountants.</b>
<b>NAME OF BANKERS</b>	<b>MCB Bank Limited Soneri Bank Limited JS Bank Limited Habib Bank Limited Habib Metro Bank Khushali Microfinance Bank Mobilink Microfinance Bank HBL Microfinance Bank National Bank Limited Allied Bank Limited Zarai Taraqati Bank Limited</b>

**Type and Category of Fund**

Open end Equity Fund

**Investment Objective and Accomplishment of Objective**

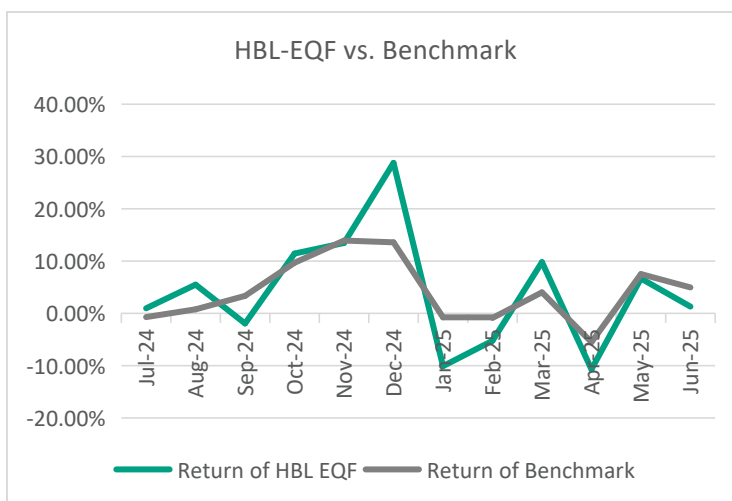
The fund objective is to provide its investors maximum risk adjusted returns over longer investment horizon by investing in a diversified equity portfolio that offers both capital gains and dividend income.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is KSE 100 Index.

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

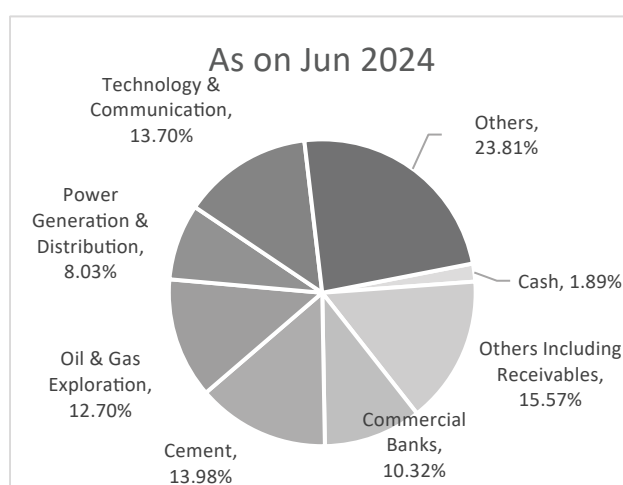
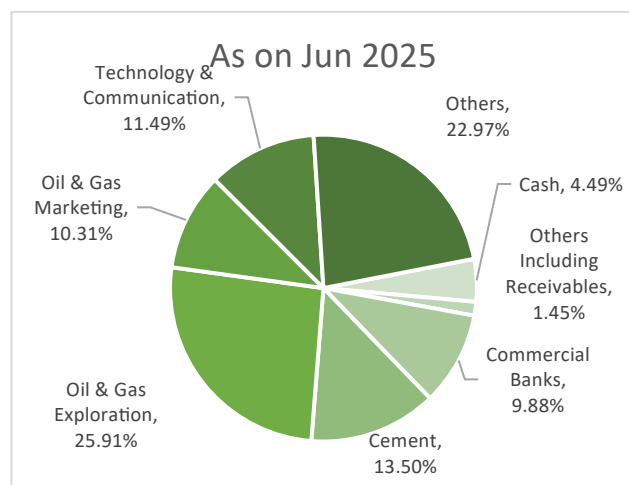
Month	Return of Fund	
	HBL -EQF	Benchmark
Jun-25	1.30%	4.96%
May-25	6.67%	7.51%
Apr-25	-10.70%	-5.50%
Mar-25	9.80%	4.02%
Feb-25	-5.24%	-0.88%
Jan-25	-10.09%	-0.76%
Dec-24	28.77%	13.59%
Nov-24	13.46%	13.93%
Oct-24	11.44%	9.68%
Sep-24	-1.93%	3.35%
Aug-24	5.49%	0.77%
Jul-24	0.97%	-0.71%



**Strategies and Policies employed during the Year**

During the year under review, the Fund increased its exposure in equity from 82.54% of total assets as on June 30, 2024 to 92.06% 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 and gas exploration and oil and gas marketing has increased, while exposure in cement, technology and communication, banks and others has 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	4.49%	1.89%
Others Including Receivables	1.45%	15.57%
Commercial Banks	9.88%	10.32%
Cement	13.50%	13.98%
Oil & Gas Exploration	25.91%	12.70%
Oil & Gas Marketing	10.31%	
Power Generation & Distribution		8.03%
Technology & Communication	11.49%	13.70%
Others	23.0%	23.8%
Total	100.00%	100.00%

## Fund Performance

The total and net income of the Fund was Rs. 219.48 million and Rs. 179.83 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 186.4654 per unit as on June 30, 2025 as compared to Rs. 121.4784 per unit as on June 30, 2024, thereby giving a return of 53.50%. During the period the benchmark KSE 100 index yielded a return of 60.15%. The size of Fund was Rs. 0.87 billion as on June 30, 2025 as compared to Rs. 0.19 billion at the start of the year.

## Review of Market invested in

In FY25, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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 during the year under review.

## Breakdown of Unit Holding by Size

From - To (Number of Units)	Number of Unit Holders	Total Number of Units Held
1 – 100	463	7,511
101 – 500	134	32,311
501 – 1,000	72	48,573
1,001 – 10,000	163	603,280
10,001 – 100,000	59	1,595,437
500,001 – 1,000,000	2	1,549,864
100,001 – 5,000,000	5	835,368
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	898	4,672,344

## 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 EQUITY FUND**  
As at June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
Net assets at the period end (Rs'000)	871,230	192,237	323,350	818,077	2,270,367	422,752	245,597
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>							
Redemption	186.4654	121.4784	70.3636	76.8634	139.9454	100.3410	98.3868
Offer	190.7541	124.2238	71.9538	78.6005	143.1082	102.6087	100.6103
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>							
Highest offer price per unit	211.6150	129.5909	83.2222	144.4751	143.1350	122.8878	117.9947
Lowest offer price per unit	123.9565	75.7020	67.0553	78.4233	105.0772	78.7581	93.3239
Highest redemption price per unit	206.8573	126.7269	81.3829	141.2821	139.9716	120.1719	115.3870
Lowest redemption price per unit	121.1696	74.0289	65.5733	76.6901	102.7549	77.0175	91.2614
<b>RETURN ( % )</b>							
Total return	53.50%	78.55%	-8.46%	-45.08%	39.47%	7.61%	-15.46%
Income distribution	0.00%	5.90%	0.00%	0.00%	0.00%	0.15%	0.00%
Capital growth	53.50%	72.65%	-8.46%	-45.08%	39.47%	7.46%	-15.46%
<b>DISTRIBUTION</b>							
Final dividend distribution (Rs)	-	4.15	-	-	-	0.15	-
Date of Income Distribution	-	28-Jun-2024	-	-	-	26-Jun-20	-
Total dividend distribution for the year/ period (Rs)	-	4.15	-	-	-	0.15	-
<b>AVERAGE RETURNS ( % )</b>							
Average annual return 1 year	53.50%	78.55%	-8.46%	-45.08%	39.47%	7.61%	-15.46%
Average annual return 2 year	65.55%	27.85%	-29.10%	-12.48%	22.51%	-4.62%	-13.44%
Average annual return 3 year	15.35%	-3.54%	-11.16%	-6.24%	8.26%	-6.93%	-1.47%
<b>PORTFOLIO COMPOSITION - (%)</b>							
Percentage of Total Assets as at 30 June:							
Bank Balances	4.49%	1.89%	2.61%	3.75%	24.08%	6.05%	11.01%
Stock / Equities	94.06%	82.54%	80.70%	94.72%	73.93%	92.91%	84.89%
Others Including receivables	1.45%	15.57%	16.69%	1.53%	1.99%	1.04%	4.10%

**Note:**

The Launch date of the Fund is September 26, 2011

**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

## Summary of Actual Proxy voted by CIS

HBL EQF	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
Gandhara 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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S.M.C.H.S. Main Shakra-e-Faisal  
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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 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 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



## **INDEPENDENT AUDITOR'S REPORT To the Unit Holders of HBL Equity Fund**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **HBL Equity 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.

<b>S. No.</b>	<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<b>1</b>	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6.1 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 845.98 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.</p> <p>We have identified the existence and valuation as the significant areas during our audit of investment.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> <li>• tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li> <li>• 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;</li> <li>• 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;</li> </ul>

#### **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.

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: AR2025100571CWmjBfnZ



		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	5	43,263	4,371
Investments	6	845,980	190,986
Dividend and mark-up receivable	7	356	413
Receivable against sale of investments - net		33,295	28,509
Advances and deposits	8	2,913	2,915
Receivable from the Management Company	9	4,192	4,188
<b>TOTAL ASSETS</b>		<b>929,999</b>	<b>231,382</b>
<b>LIABILITIES</b>			
Payable to the Management Company	10	3,326	695
Payable to the Trustee	11	194	41
Payable to Securities and Exchange Commission of Pakistan	12	270	17
Payable against redemption of units		42,222	27,317
Dividend payable		-	3,130
Accrued expenses and other liabilities	13	12,757	7,978
<b>TOTAL LIABILITIES</b>		<b>58,769</b>	<b>39,178</b>
<b>NET ASSETS</b>		<b>871,230</b>	<b>192,204</b>
<b>UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>871,230</b>	<b>192,204</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	14	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	15	<b>4,672,344</b>	<b>1,582,206</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	4.8	<b>186.4654</b>	<b>121.4784</b>

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) -----	
<b>INCOME</b>		
Capital gain on sale of investments - net	187,786	133,216
Dividend income	19,934	24,861
Mark-up on bank deposits	5,179	2,210
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.2      6,579	19,886
	<u>219,478</u>	<u>180,173</u>
<b>EXPENSES</b>		
Remuneration of the Management Company	10.1      23,205	6,255
Sindh Sales Tax on remuneration of the Management Company	10.2      3,481	813
Allocated expenses	10.3      -	1,275
Selling and marketing expenses	10.4      -	1,617
Remuneration of the Trustee	11.1      1,111	565
Sindh Sales Tax on remuneration of the Trustee	11.2      167	74
Securities and Exchange Commission of Pakistan fee	12.1      732	268
Auditors' remuneration	16      949	863
Fees and subscriptions	88	31
Legal and professional charges	240	150
Brokerage and settlement charges	13,778	6,429
Bank charges	14	34
Printing charges	74	94
Reimbursement of expenses from the Management Company	(4,192)	(4,188)
	<u>39,647</u>	<u>14,280</u>
<b>Net income for the year from operating activities before taxation</b>	<u>179,831</u>	<u>165,893</u>
Taxation	17      -	-
<b>Net income for the year after taxation</b>	<u>179,831</u>	<u>165,893</u>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	179,831	165,893
Income already paid on redemption of units	(123,080)	(93,725)
	<u>56,751</u>	<u>72,168</u>
<b>Accounting income available for distribution:</b>		
Relating to capital gains	56,751	66,863
Excluding capital gains	-	5,305
	<u>56,751</u>	<u>72,168</u>
<b>Earnings per unit</b>	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**

**HBL EQUITY FUND**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Net income for the year after taxation</b>	<b>179,831</b>	165,893
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>179,831</b>	165,893

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 EQUITY FUND**  
**Statement of Movement in Unitholders' 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)					
<b>Net assets at beginning of the year</b>	875,669	(683,465)	192,204	1,073,154	(749,804)	323,350
<b>Issuance of 20,905,892 units</b> (2024: 2,812,543 units)						
Capital value (at net asset value per unit at the beginning of the year)	2,539,614	-	2,539,614	197,900	-	197,900
Element of (loss) / income	1,227,094	-	1,227,094	99,845	-	99,845
	3,766,708	-	3,766,708	297,745	-	297,745
<b>Redemption of 17,815,754 units</b> (2024: 5,825,777 units)						
Capital value (at net asset value per unit at the beginning of the year)	(2,164,229)	-	(2,164,229)	(409,923)	-	(409,923)
Income already paid on units redeemed	-	(123,080)	(123,080)	-	(93,725)	(93,725)
Element of (loss) / income	(980,204)	-	(980,204)	(84,669)	-	(84,669)
	(3,144,433)	(123,080)	(3,267,513)	(494,592)	(93,725)	(588,317)
Total comprehensive income for the year	-	179,831	179,831	-	165,893	165,893
Final distribution For the year ended June 30, 2025 (cash distribution @ Rs 4.150 per unit declared on June 28, 2024)	-	-	-	-	(5,829)	(5,829)
Refund of capital	-	-	-	(638)	-	(638)
	-	179,831	179,831	(638)	160,064	159,426
<b>Net assets at end of the year</b>	1,497,944	(626,714)	871,230	875,669	(683,465)	192,204
<b>Undistributed loss brought forward</b>						
Realised		(703,351)			(742,789)	
Unrealised		19,886			(7,015)	
		(683,465)			(749,804)	
<b>Accounting income available for distribution</b>						
Relating to capital gains		56,751			66,863	
Excluding capital gains		-			5,305	
		56,751			72,168	
Distribution during the year		-			(5,829)	
<b>Undistributed loss carried forward</b>		(626,714)			(683,465)	
<b>Undistributed loss carried forward</b>						
Realised		(633,293)			(703,351)	
Unrealised		6,579			19,886	
		(626,714)			(683,465)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		121.4784			70.3636	
Net assets value per unit at end of the year		186.4654			121.4784	

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) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year from operating activities before taxation	179,831	165,893
<b>Adjustments for non cash and other items:</b>		
Capital gain on sale of investments - net	(187,786)	(133,216)
Dividend income	(19,934)	(24,861)
Mark-up on bank deposits	(5,179)	(2,210)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	(6,579)	(19,886)
	<u>(39,647)</u>	<u>(14,280)</u>
<b>(Increase) / decrease in assets</b>		
Investments - net	(460,629)	265,073
Receivable against sale of investments - net	(4,786)	(14,884)
Advances and deposits	2	-
Receivable from the Management Company	(4)	746
	<u>(465,417)</u>	<u>250,935</u>
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	2,631	(958)
Payable to the Trustee	153	(19)
Payable to Securities and Exchange Commission of Pakistan	253	(81)
Accrued expenses and other liabilities	4,779	1,255
	<u>7,816</u>	<u>197</u>
<b>Net cash (used in) / generated from operations</b>	<u>(497,248)</u>	<u>236,852</u>
Dividend received	19,935	24,626
Mark-up received on bank deposits	5,235	2,338
	<u>25,170</u>	<u>26,964</u>
Net cash (used in) / generated from operating activities	<u>(472,078)</u>	<u>263,816</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	3,766,708	297,107
Payment against redemption of units	(3,252,608)	(563,647)
Dividend Paid	(3,130)	(2,699)
Net cash generated from / (used in) financing activities	510,970	(269,239)
<b>Net decrease in cash and cash equivalents during the year</b>	<b>38,892</b>	<b>(5,423)</b>
Cash and cash equivalents at the beginning of the year	4,371	9,794
<b>Cash and cash equivalents at the end of the year</b>	<b>43,263</b>	<b>4,371</b>

5

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 Equity Fund ("the Fund") was established under a Trust Deed executed between 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/NBFC-II/PSF/249/2011 dated June 01, 2011 and the trust deed was executed on June 14, 2011.
- 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. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** 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 at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.4** The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs.100 per unit from September 24, 2011 to September 26, 2011. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5** The Fund has been categorised as an equity scheme as per the criteria laid down by the SECP for categorisation of the Collective Investment Schemes (CISs).
- 1.6** The investment objective of the Fund is to provide investors a diversified equity portfolio with a primary objective of maximizing risk-adjusted returns over longer investment horizon through a combination of capital gains and dividend income.
- 1.7** **Title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.**
- 1.8** VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at December 31, 2024.

**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 VIII A 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 VIII A 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 VIII A 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 judgements**

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 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 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)
- (d) Classification and measurement of financial liabilities (Note 4.2.2)
- (e) 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 Standard and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. 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.

	<b>Effective from Accounting period beginning on or after</b>
- 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
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
	<b>Effective from Accounting period beginning on or after</b>
- 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 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 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) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at rates quoted on 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.

**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 Regular way contracts**

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

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 prov

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 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.
- Mark-up on bank deposits is recognised on a time apportionment basis using effective rate.
- Income / profit from investments in government securities is recognised on a time proportionate basis using effective interest rate method.
- Unrealised gain / (loss) arising on re-measurement of investments 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 Management Company, Trustee fee and fee of SECP 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.

	Note	June 30, 2025	June 30, 2024
----- Rupees in '000 -----			
<b>5. BANK BALANCES</b>			
In current account		201	201
In savings accounts	5.1	43,062	4,170
		<b>43,263</b>	4,371

- 5.1 These carry mark-up ranging from 9.00% to 12.00% per annum (2024: 19.51% to 21.50% per annum). These includes an amount held with Habib Bank Limited (a related party) amounting to Rs. 0.288 million (2024: Rs. 3.39 million) on which return is earned at 9.00% per annum (2024: 19.51% per annum) and HBL Microfinance Bank Limited (a related party) amounting to Rs. 0.021 million (2024: Rs. 0.02 millions) on which return earned at 12.00% per annum (2024: 19.51% per annum).

6. INVESTMENTS	Note	June 30,	June 30,
		2025	2024
----- Rupees in '000 -----			
<b>Financial assets at fair value through profit or loss</b>			
Listed equity securities	6.1	<b>845,980</b>	<b>190,986</b>

**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 the investee companies	As at	Purchased	Sold during	As at June 30,	Carrying value	Market value	Unrealised gain / (loss)	Market value	Market value	Par value as a percentage of paid-up capital of investee company
	July 01, 2024	during the year	the year	2025	as at June 30, 2025	as at June 30, 2025		as a percentage of total investments	as a percentage of net assets	
(Number of shares)			(Rupees in '000)			%				
<b>Automobile Assembler</b>										
Ghandhara Automobiles Limited	-	400,909	308,909	92,000	44,957	34,718	(10,239)	4.10	3.98	0.16
Ghandhara Industries Limited	-	270,232	216,732	53,500	37,696	34,798	(2,898)	4.11	3.99	0.13
Honda Atlas Cars (Pakistan) Limited	14,000	-	14,000	-	-	-	-	-	-	-
	14,000	671,141	539,641	145,500	82,653	69,516	(13,137)	8.21	7.97	0.29
<b>Cable &amp; Electrical Goods</b>										
Pak Elektron Limited	-	1,468,000	1,468,000	-	-	-	-	-	-	-
<b>Cement</b>										
Attock Cement Pakistan Limited	-	332,500	236,500	96,000	28,843	28,090	(753)	3.32	3.22	0.07
Cherat Cement Company Limited	-	133,500	133,500	-	-	-	-	-	-	-
DG Khan Cement Company Limited	130,000	425,000	475,000	80,000	11,090	13,245	2,155	1.57	1.52	0.02
Fauji Cement Company Limited	104,000	2,245,000	1,687,000	662,000	29,007	29,572	565	3.50	3.39	0.03
Gharibwal Cement Limited	-	939,000	939,000	-	-	-	-	-	-	-
Maple Leaf Cement Limited	118,000	2,642,500	2,161,500	599,000	33,400	50,484	17,083	5.97	5.79	0.06
Pioneer Cement Company Limited	81,500	6,000	87,500	-	-	-	-	-	-	-
Power Cement Limited	-	8,450,000	8,450,000	-	-	-	-	-	-	-
Thatta Cement Company Limited	-	225,500	225,500	-	-	-	-	-	-	-
	433,500	15,399,000	14,395,500	1,437,000	102,340	121,390	19,049	14.36	13.92	0.17
<b>Commercial Banks</b>										
Askari Bank Limited	-	1,193,160	-	1,193,160	55,853	58,823	2,970	6.95	6.75	0.10
Bank AL Habib Limited	-	130,500	130,500	-	-	-	-	-	-	-
The Bank of Punjab	-	1,500,000	1,500,000	-	-	-	-	-	-	-
Faysal Bank Limited	1,440	-	-	1,440	76	100	24	0.01	0.01	0.00
Habib Bank Limited	39,000	1,033,750	937,750	135,000	21,940	24,191	2,251	2.86	2.78	0.01
MCB Bank Limited	-	20,000	-	20,000	5,580	5,767	187	0.68	0.66	0.00
National Bank of Pakistan	-	2,407,806	2,407,806	-	-	-	-	-	-	-
United Bank Limited	74,000	-	74,000	-	-	-	-	-	-	-
	114,440	6,285,216	5,050,056	1,349,600	83,449	88,881	5,432	10.50	10.20	0.11
<b>Engineering</b>										
Crescent Steel & Allied Products Limited	-	60,500	60,500	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	9,500	16,000	25,500	-	-	-	-	-	-	-
	9,500	76,500	86,000	-	-	-	-	-	-	-
<b>Fertilizers</b>										
Engro Fertilizer Limited	59,500	50,500	110,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	280,000	280,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	650,843	650,843	-	-	-	-	-	-	-
	119,000	1,962,686	2,081,686	-	-	-	-	-	-	-
<b>Food &amp; Personal Care Products</b>										
The Organic Meat Company Limited	-	1,690,500	290,500	1,400,000	45,440	46,032	592	5.44	5.28	0.78
<b>Insurance</b>										
Adamjee Insurance Company Limited	-	35,000	35,000	-	-	-	-	-	-	-
<b>Investments Banks</b>										
Engro Holding Limited	-	495,581	495,581	-	-	-	-	-	-	-
Pakistan Stock Exchange Limited	-	1,400,000	1,400,000	-	-	-	-	-	-	-
	-	1,895,581	1,895,581	-	-	-	-	-	-	-
<b>Oil and Gas Exploration Companies</b>										
Mari energies Limited	-	415,629	360,827	54,802	32,765	34,355	1,590	4.06	3.94	0.00
Oil & Gas Development Company Limited	108,000	1,015,500	676,500	447,000	93,071	98,590	5,519	11.65	11.32	0.01
Pakistan Petroleum Limited	126,000	1,068,500	606,000	588,500	103,925	100,145	(3,780)	11.84	11.49	0.02
	234,000	2,499,629	1,643,327	1,090,302	229,761	233,090	3,329	27.55	26.75	0.04
<b>Oil and Gas Marketing Companies</b>										
Pakistan State Oil Company Limited	47,222	683,300	484,800	245,722	89,546	92,767	3,222	10.97	10.65	0.05
Sui Northern Gas Pipelines Limited	153,400	1,521,149	1,674,549	-	-	-	-	-	-	-
Sui Southern Gas Company Limited	-	5,191,950	5,191,950	-	-	-	-	-	-	-
	200,622	7,396,399	7,351,299	245,722	89,546	92,767	3,222	10.97	10.65	0.05

Name of the investee companies	As at July 01, 2024	Purchased 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	Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of paid-up capital of investee company
	(Number of shares)				(Rupees in '000)			%		
<b>Paper and Board</b>										
Synthetic Products Enterprises Limited	-	772,000	772,000	-	-	-	-	-	-	-
<b>Pharmaceuticals</b>										
BF Biosciences Limited	-	562,538	527,538	35,000	7,971	5,905	(2,067)	0.70	0.68	0.13
Citi Pharma Limited	-	875,000	875,000	-	-	-	-	-	-	-
The Searle Company Limited	445	-	-	445	25	39	14	-	-	0.00
	445	1,437,538	1,402,538	35,445	7,996	5,944	(2,053)	0.70	0.68	0.13
<b>Power Generations and Distribution</b>										
The Hub Power Company Limited	114,000	80,000	194,000	-	-	-	-	-	-	-
<b>Property</b>										
TPL Properties Limited	-	14,322,823	10,668,585	3,654,238	40,314	36,433	(3,881)	4.31	4.18	0.65
<b>Refinery</b>										
Attock Refinery Limited	22,500	187,898	138,898	71,500	46,868	48,579	1,711	5.74	5.58	0.07
National Refinery Limited	29,500	-	29,500	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	3,884,036	3,884,036	-	-	-	-	-	-	-
	52,000	4,071,934	4,052,434	71,500	46,868	48,579	1,711	5.74	5.58	0.07
<b>Technology and Communication</b>										
Avanceon Limited	-	139,000	139,000	-	-	-	-	-	-	-
Netsol Technologies Limited	64,000	374,500	198,500	240,000	39,647	31,910	(7,737)	3.77	3.66	0.27
Pakistan Telecommunication Company Limited	-	5,411,144	4,936,144	475,000	11,636	12,084	448	1.43	1.39	0.01
Systems Limited*	5,142	223,210	5,142	223,210	24,257	23,915	(342)	2.83	2.74	0.02
TPL Tracker Limited	3,361,102	503,403	112,505	3,752,000	25,540	26,752	1,212	3.16	3.07	2.00
Air Link Communication Limited	-	50,000	50,000	-	-	-	-	-	-	-
Worldcall Telecom Limited	-	5,500,000	-	5,500,000	9,955	8,690	(1,265)	1.03	1.00	-
	3,430,244	12,201,257	5,441,291	10,190,210	111,035	103,351	(7,684)	12.22	11.86	2.30
<b>Textile Composite</b>										
Nishat Mills Limited	-	181,000	181,000	-	-	-	-	-	-	-
<b>Transport</b>										
Secure Logistics Group Limited	-	200,000	200,000	-	-	-	-	-	-	-

\* This have face value of Rs. 2 per share (2024: Rs. 10 per share)

As at June 30, 2025

839,401 845,980 6,580

As at June 30, 2024

171,099 190,986 19,887

**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	
	(Number of Shares)		(Rupees in '000)	
Engro Fertilizer Limited	-	10,000	-	1,662
Attock Cement Pakistan Limited	11,000	-	3,219	-
Fauji Cement Company Limited	100,000	-	4,467	-
Habib Bank Limited	130,000	6,000	23,295	744
Honda Atlas Cars (Pakistan) Limited	-	5,000	-	1,417
Mari Petroleum Company Limited	25,000	-	15,672	-
Maple Leaf Cement Factory Limited	279,000	103,500	23,514	3,933
Oil & Gas Development Company Limited	214,000	100,000	47,200	13,537
Pakistan Petroleum Limited	165,000	51,500	28,078	6,031
Pakistan State Oil Company Limited	87,500	46,000	33,034	7,646
Sazgar Engineering Works Limited	-	5,000	-	4,162
Netsol Technologies Limited	20,000	-	2,659	-
MCB Bank Limited	5,000	-	1,442	-
The Hub Power Company Limited	-	56,110	-	9,150
United Bank Limited	-	7,500	-	1,922
	<b>1,036,500</b>	<b>390,610</b>	<b>182,580</b>	<b>50,204</b>

**6.1.2** These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. The Finance Act, 2014 brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the 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 company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.978 million at June 30, 2025 (2024: Rs. 2.288 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 favor 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	
	Number of shares	Market value (Rs in '000)	Number of shares	Market value (Rs in '000)
Faysal Bank Limited	1,440	100	1,440	76
Pakistan State Oil Company Limited	222	84	222	37
The Searle Company Limited	445	39	445	25
Systems Limited	25,710	2,755	5,142	2,150
	<b>27,817</b>	<b>2,978</b>	<b>7,249</b>	<b>2,288</b>

"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."

Subsequent to 2019, the CISs 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 adjudication 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 favor of the CISs.

Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of the Income Tax Ordinance, 2001 (the Ordinance) 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.

**6.2 Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net**

	June 30, 2025	June 30, 2024
Market value of investments	845,980	190,986
Less: Carrying value of investments	839,401	171,099
	<b>6,579</b>	<b>19,887</b>

		June 30, 2025	June 30, 2024
	Note	(Rupees in '000)	
<b>7. DIVIDEND AND MARK-UP RECEIVABLE</b>			
Dividend receivable		306	307
Mark-up receivable on savings account		50	106
		<u>356</u>	<u>413</u>
<b>8. ADVANCES AND DEPOSITS</b>			
Security deposits with:			
National Clearing Company of Pakistan Limited		2,500	2,500
Central Depository Company of Pakistan Limited		100	100
Advance tax	8.1	313	315
		<u>2,913</u>	<u>2,915</u>
<b>8.1</b>	The income of the Fund is exempt from income 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 150 and 151 of ITO 2001. The management is confident that the same will be refunded and retrun application has been filed till tax year 2021.		
<b>9. RECEIVABLE FROM THE MANAGEMENT COMPANY</b>			
Receivable against expense reimbursement	9.1	4,192	4188
<b>9.1</b>	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 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.		
<b>10. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable to the Management Company	10.1	2,652	416
Sindh Sales Tax Payable on Management Company's remuneration	10.2	398	54
Allocated expenses	10.3	-	-
Selling and marketing expenses payable	10.4	225	225
Sales load payable		51	-
		<u>3,326</u>	<u>695</u>



**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 year is 3% (June 30, 2024: 2% to 3%) 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.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>11. PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	11.1	169	36
Sindh Sales Tax payable on Trustee Fee	11.2	25	5
		<b>194</b>	<b>41</b>

**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	0.20% per annum of net assets value 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.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>12. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
SECP fee payable	12.1	270	17

**12.1** 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
	----- (Rupees in '000) -----	
<b>13. ACCRUED EXPENSES AND OTHER LIABILITIES</b>		
Provision for Federal Excise Duty (FED)	5,685	5,685
Capital gain tax payable	3,064	-
Withholding tax payable	1,910	615
Brokerage payable	1,055	919
Auditors' remuneration	529	525
Other payables	487	212
Zakat payable	27	22
	<u>12,757</u>	<u>7,978</u>

**13.1** 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.

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. 5.685 million (2024: Rs. 5.685 million). Had the provision not been made, the net asset value per unit of the Fund as at 2025 would have been higher by Rs. 1.217 per unit (2024: Rs. 3.593 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-----	
<b>15. NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	1,582,206	4,595,440
Add: Units issued during the year	20,905,892	2,812,543
Less: Units redeemed during the year	(17,815,754)	(5,825,777)
Total units in issue at the end of the year	<u>4,672,344</u>	<u>1,582,206</u>

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>16. AUDITORS' REMUNERATION</b>		
Annual audit fee	465	423
Fee for half yearly review	202	183
Other certifications	145	140
Out of pocket	67	53
	<u>879</u>	<u>799</u>
Sales tax	70	64
	<u>949</u>	<u>863</u>

**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 Regulation, 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 5.15% (2024: 5.07%) which includes 0.80% (2024: 0.65%) representing Government Levies and the SECP Fee, therefore TER excluding Government levies and SECP fee is 4.35%. 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 '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 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.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with the 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 / related parties and balances with them are as follows:

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>19.1 Details of transactions with related parties / connected persons during the year:</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	23,205	6,255
Sindh Sales Tax on remuneration of the Management Company	3,481	813
Allocated expenses	-	1,275
Selling and marketing expenses	-	1,617
Expenses reimbursement from Management Company	4,192	4,188
Amount received from Management Company against issuance to unitholders*	3,433	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,111	565
Sindh Sales Tax on remuneration of the Trustee	167	74
Central Depository service charges	298	83
<b>Habib Bank Limited - Sponsor</b>		
Dividend income	2,199	1,854
Mark-up on bank deposits	1,915	337
Purchase of shares Nil (2024: 1,397,826)	-	132,705
Sale of shares Nil (2024: 1,582,326)	-	150,415
<b>HBL Microfinance Bank Limited - Associate</b>		
Mark-up on bank deposits	-	304
<b>Directors and Executives of the Management Company</b>		
Issue of 762,315 units (2024: 19,489 units)	135,087	2,162
Redemption of 736,789 units (2024: 16,755 units)	134,764	1,802
<b>The Citizens Foundation - Connected Person due to holding more than 10% units</b>		
Issue of 1,231 units (2024: 754,237 units)	252	155,822
<b>Yasir Ilyas Khan - Connected Person due to holding more than 10% units</b>		
Issue of 794,395 units (2024: Nil units)	123,000	-
<b>19.2 Balances outstanding as at year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	2,652	416
Sindh Sales Tax on remuneration of the Management Company	398	54
Sales load payable	51	-
Selling and marketing expense payable	225	225
Receivable from the Management Company	4,192	4,188
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	169	36
Sindh Sales Tax payable on Trustee Fee	25	5
Security deposit	100	100
CDS charges payable	61	8

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	288	3,390
<b>HBL Microfinance Bank Limited - Associate</b>		
Bank balances	21	21
Profit receivable	-	10
<b>Directors and Executives of the Management Company</b>		
Units held: 30,233 units (2024: 2,856 units)	5,637	352
<b>The Citizens Foundation - Connected Person due to holding more than 10% units</b>		
Units held: 755,468 units (2024: 754,237 units)	140,869	155,822
<b>Yasir Ilyas Khan - Connected Person due to holding more than 10% units</b>		
Units held: 794,395 units (2024: Nil units)	148,127	-

\* 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 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
<b>Level 1:</b>	quoted prices in active markets for identical assets or liabilities;	Listed equity securities are valued at the rates quoted on PSX.
<b>Level 2:</b>	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.
<b>Level 3:</b>	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.

Particular	As at June 30, 2025						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total

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

**Financial assets measured at fair value**

Listed equity securities	845,980	-	845,980	845,980	-	-	845,980
	845,980	-	845,980	845,980	-	-	845,980

**Financial assets not measured at fair value**

Bank balances	-	43,263	43,263				
Dividend and mark-up receivable	-	356	356				
Deposits	-	2,600	2,600				
Receivable against sale of investments - net	-	33,295	33,295				
Receivable from the Management Company	-	4,192	4,192				
	-	83,706	83,706				

**Financial liabilities not measured at fair value**

Payable to the Management Company	-	2,928	2,928				
Payable to the Trustee	-	194	194				
Payable against redemption of units	-	42,222	42,222				
Dividend payable	-	-	-				
Accrued expenses and other liabilities	-	2,032	2,032				
	-	47,376	47,376				

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 and loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total

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

**Financial assets measured at fair value**

Listed equity securities	190,986	-	190,986	190,986	-	-	190,986
	190,986	-	190,986	190,986	-	-	190,986

**Financial assets not measured at fair value**

Bank balances	-	4,371	4,371				
Dividend and mark-up receivable	-	413	413				
Deposits	-	2,600	2,600				
Receivable against sale of investments - net	-	28,509	28,509				
Receivable from the Management Company	-	4,188	4,188				
	-	40,081	40,081				

**Financial liabilities not measured at fair value**

Payable to the Management Company	-	641	641				
Payable to the Trustee	-	36	36				
Payable against redemption of units	-	27,317	27,317				
Dividend payable	-	3,130	3,130				
Accrued expenses and other liabilities	-	1,599	1,599				
	-	32,723	32,723				

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. UNIT 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 the 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.

## **22. 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 preliminarily invest in a portfolio of equity securities. These Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

### **22.1 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 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 risks; currency risk, interest rate risk and other price risk.

#### **22.1.1 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.

**22.1.2 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) -----	
<b>Variable rate instrument (financial asset)</b>		
Bank Balances	<u>43,062</u>	<u>4,170</u>

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in savings accounts, the interest rates on which ranging between 9.00% to 12.00% (2024: 19.51% to 21.50%) per annum.

The Fund's interest rate risk arises from the balances in savings accounts. 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. 0.4306 million (2024: Rs 0.0417 million).

b) Fair value interest rate risk

The Fund currently does not have any fixed rate instruments and therefore, it is not exposed to fair value interest rate risk.

The fund interest rate sensitivity related to financial assets and liabilities as at June 30, 2025 as follows:

As at June 30, 2025						
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) -----					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets:</b>						
Bank balances	9.00 - 12.00	43,062	-	-	201	43,263
Investments						
Listed equity securities		-	-	-	845,980	845,980
Dividend and mark-up receivable		-	-	-	356	356
Deposits		-	-	-	2,600	2,600
Receivable against sale of investments - net		-	-	-	33,295	33,295
Receivable from the Management Company		-	-	-	4,192	4,192
<b>Sub total</b>		<b>43,062</b>	<b>-</b>	<b>-</b>	<b>886,624</b>	<b>929,686</b>
<b>Financial liabilities:</b>						
Payable to the Management Company		-	-	-	2,928	2,928
Payable to the Trustee		-	-	-	194	194
Payable against redemption of units		-	-	-	42,222	42,222
Dividend payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	2,032	2,032
		-	-	-	<u>47,376</u>	<u>47,376</u>



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						
Financial assets						
Bank balances	19.51 - 21.50	4,170	-	-	201	4,371
Investments						
Listed equity securities		-	-	-	190,986	190,986
Dividend and mark-up receivable		-	-	-	413	413
Deposits		-	-	-	2,600	2,600
Receivable against sale of investments - net		-	-	-	28,509	28,509
Receivable from the Management Company		-	-	-	4,188	4,188
Sub total		4,170	-	-	226,897	231,067
Financial liabilities:						
Payable to the Management Company		-	-	-	641	641
Payable to the Trustee		-	-	-	36	36
Payable against redemption of units		-	-	-	27,317	27,317
Dividend payable		-	-	-	27,317	27,317
Accrued expenses and other liabilities		-	-	-	1,599	1,599
		-	-	-	56,910	56,910

### 22.1.3 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 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 42.3 million (2024: Rs 9.55 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.

### 22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk preliminary attributable to bank balances and credit exposure arising as a result of dividend receivable on equity securities.

#### 22.2.1 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 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, 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 '000)-----				
Bank balances	43,263	43,263	4,371	4,371
Investment in listed equity securities	845,980	-	190,986	-
Dividend and mark-up receivable	356	356	413	413
Receivable against sale of investments - net	33,295	33,295	28,509	28,509
Deposits	2,600	2,600	2,600	2,600
Receivable from the Management Company	4,192	4,192	4,188	4,188
	<b>929,686</b>	<b>83,706</b>	<b>231,067</b>	<b>40,081</b>

The analysis below summarises the credit quality of the Funds' bank balances as at June 30, 2025 and June 30, 2024.

Name of the bank	Balance as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
------------------	-----------------------------	---	---------------

(Rupees in '000)

**Bank balances by rating category:**

Habib Bank Limited	288	AAA	VIS
MCB Bank Limited	201	AAA	PACRA
Soneri Bank Limited	42,689	AA-	PACRA
Khushhali Microfinance Bank Limited	-	A-	VIS
JS Bank Limited	24	AA	PACRA
Habib Metropolitan Bank Limited	-	AA+	PACRA
Mobilink Microfinance Bank Limited	10	A	VIS
National Bank of Pakistan	10	AAA	PACRA
Zarai Taraqiyati Bank Limited	11	AAA	VIS
Allied Bank Limited	9	AAA	PACRA
HBL Microfinance Bank Limited	21	A+	VIS
	<b>43,263</b>		

Name of the bank	Balance as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
------------------	-----------------------------	---	---------------

(Rupees in '000)

**Bank balances by rating category:**

Habib Bank Limited	3,389	AA+	VIS
MCB Bank Limited	235	AAA	PACRA
Soneri Bank Limited	631	AA-	PACRA
Khushhali Microfinance Bank Limited	18	A-	VIS
JS Bank Limited	24	AA	PACRA
Habib Metropolitan Bank Limited	18	AA+	PACRA
Mobilink Microfinance Bank Limited	10	A	PACRA
National Bank of Pakistan	10	AAA	PACRA
Zarai Taraqiyati Bank Limited	11	AAA	VIS
Allied Bank Limited	4	AAA	PACRA
HBL Microfinance Bank Limited	21	A+	VIS
	<b>4,371</b>		

The maximum exposure to credit risk as at June 30, 2025 and June 30, 2024 is the carrying amount of the financial assets other than investments in equity securities.

The analysis below summarises the credit quality of the Fund's credit exposure:

	June 30, 2025	June 30, 2024
	----- (Percentage) -----	
<b>Rating by rating category</b>		
A	0.02	0.23
A-	-	0.41
A+	0.05	0.48
AA-	98.67	14.44
AA+	0.67	77.95
AA	0.06	0.55
AAA	0.53	5.95
	<b>100.00</b>	<b>100.00</b>

#### Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect group 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 listed equity securities and bank balances, while the remaining 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.

### 22.3 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.

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.

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 ten percent 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 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

	As at June 30, 2025					Total
	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	
------(Rupees in '000)-----						
<b>Financial assets</b>						
Bank balances	43,263	-	-	-	-	43,263
Investments						
Listed equity securities	845,980	-	-	-	-	845,980
Dividend and mark-up receivable	356	-	-	-	-	356
Deposits	2,600	-	-	-	-	2,600
Receivable against sale of investments - net	33,295	-	-	-	-	33,295
Receivable from the Management Company	4,192	-	-	-	-	4,192
	<b>929,686</b>	-	-	-	-	<b>929,686</b>
<b>Financial liabilities</b>						
Payable to the Management Company	2,928	-	-	-	-	2,928
Payable to the Trustee	194	-	-	-	-	194
Payable against redemption of units	42,222	-	-	-	-	42,222
Accrued expenses and other liabilities	2,032	-	-	-	-	2,032
	<b>47,376</b>	-	-	-	-	<b>47,376</b>
<b>On-balance sheet gap</b>	<b>882,310</b>	-	-	-	-	<b>882,310</b>
<b>Total liquidity risk sensitivity gap</b>	<b>882,310</b>	-	-	-	-	<b>882,310</b>
<b>Cumulative liquidity risk sensitivity gap</b>	<b>882,310</b>	-	-	-	-	<b>882,310</b>

	As at June 30, 2024					Total
	Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	
------(Rupees in '000)-----						
<b>Financial assets</b>						
Bank balances	4,371	-	-	-	-	4,371
Investments						
Listed equity securities	190,986	-	-	-	-	190,986
Dividend and mark-up receivable	413	-	-	-	-	413
Deposits	2,600	-	-	-	-	2,600
Receivable against sale of investments - net	28,509	-	-	-	-	28,509
Receivable from the Management Company	4,188	-	-	-	-	4,188
	<b>231,067</b>	-	-	-	-	<b>231,067</b>
<b>Financial liabilities</b>						
Payable to the Management Company	641	-	-	-	-	641
Payable to the Trustee	36	-	-	-	-	36
Payable against redemption of units	27,317	-	-	-	-	27,317
Dividend payable	3,130	-	-	-	-	3,130
Accrued expenses and other liabilities	1,599	-	-	-	-	1,599
	<b>32,723</b>	-	-	-	-	<b>32,723</b>
<b>On-balance sheet gap</b>	<b>198,344</b>	-	-	-	-	<b>198,344</b>
<b>Total liquidity risk sensitivity gap</b>	<b>198,344</b>	-	-	-	-	<b>198,344</b>
<b>Cumulative liquidity risk sensitivity gap</b>	<b>198,344</b>	-	-	-	-	<b>198,344</b>

## 23. 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. Ktrade Securities Limited
3. Next Capital Limited
4. Chase Securities Pakistan (Private) Limited
5. Arif Habib Limited
6. AKD Securities Limited
7. WE Financial Services Limited
8. JS Global Capital Limited
9. Optimus Capital Management (Private) Limited
10. DJM Securities Limited



**26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS**

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 Government Securities Fund**

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL Government Securities Fund</b>
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited
<b>NAME OF AUDITORS</b>	Yousuf Adil & Co. Chartered Accountants.
<b>NAME OF BANKERS</b>	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Allied Bank Limited JS Bank Limited Samba Bank Limited Zarai Taraqiati Bank Limited MCB Bank Limited Soneri Bank Limited U Microfinance Bank Sindh Bank limited HBL Microfinance Bank Limited National Bank Limited Khushali Microfinance Bank Mobilink Microfinance Bank Faysal Bank Limited Dubai Islamic Bank
<b>FUND RATING</b>	AA- (f)



**Type and Category of Fund**

Open end Sovereign Income Fund

**Investment Objective and Accomplishment of Objective**

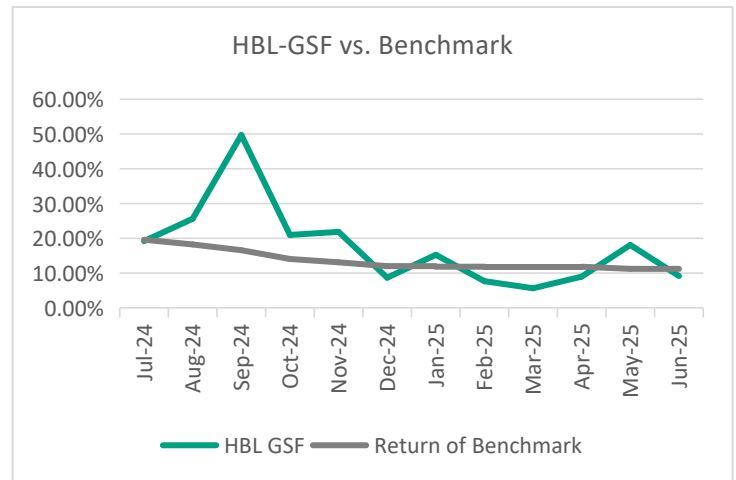
The investment objective of the Fund is to provide consistent returns to its investors through active investments in a blend of short-, medium- and long-term securities issued and / or guaranteed by Government of Pakistan. The Fund will aim to provide superior risk adjusted returns through active duration and liquidity management tools. The investment objective is achieved.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is 90% six (6) months KIBOR rates + 10% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

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

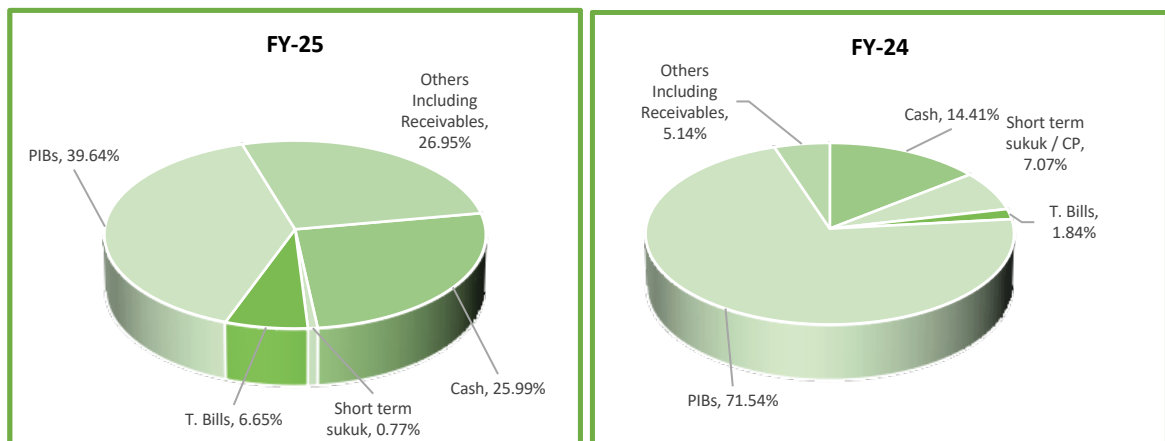
Month	Return of Fund	
	HBL -GSF	Benchmark
Jun-25	9.16%	10.87%
May-25	18.09%	11.22%
Apr-25	8.98%	11.83%
Mar-25	5.64%	11.75%
Feb-25	7.67%	11.75%
Jan-25	15.26%	11.84%
Dec-24	8.68%	12.00%
Nov-24	21.85%	13.10%
Oct-24	20.98%	14.06%
Sep-24	49.71%	16.58%
Aug-24	25.63%	18.24%
Jul-24	19.19%	19.59%



**Strategies and Policies employed during the Year**

During the year, the funds allocation was reduced in PIBs to 39.64% of total assets. Cash balance of 25.99% of total assets was maintained at year end to take advantage of attractive rates offered by banks. Additional investments were made in T-bills and Commercial Papers which made up 6.65% and 0.77% of total assets, respectively. HBL Government Securities Fund posted an annualized return (YTD) of 19.03% against the benchmark return of 13.59% in FY25.

**Asset Allocation**



## Significant Changes in Asset Allocation during the Year

During the year under review, HBL Government Securities Fund maintained minimum exposure of 70% on a monthly basis in T-bills and PIBs as per the regulatory requirement.

## Fund Performance

The total income and net income of the Fund was Rs. 1.99 billion and Rs. 1.74 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 114.0631 per unit as on June 30, 2025 (after incorporating dividend of Rs. 20.85 per unit) as compared to Rs. 113.4443 per unit as on June 30, 2024, thereby giving an annualized return of 19.03%. During the same period the benchmark (6 Month PKRV Rates) return was 13.59%. The size of Fund was Rs. 4.93 billion as on June 30, 2025 as compared to Rs. 2.06 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. 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.

## Distribution

The Fund has distributed cash dividend up-to Rs. 20.85 per unit for the year ended June 30, 2025.

## Significant Changes in the State of Affairs

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	839	12,646
101 – 500	148	37,018
501 – 1,000	70	53,756
1,001 – 10,000	218	927,037
10,001 – 100,000	164	6,188,273
500,001 – 1,000,000	6	4,940,385
100,001 – 5,000,000	50	11,739,106
1,000,001 – 5,000,000	5	12,667,607
5,000,001 and above	1	6,617,086
Total	1,501	43,182,914

### **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 house.

**PERFORMANCE TABLE –  
HBL GOVERNMENT SECURITIES FUND**  
As at June 30, 2025

	2025	2024	2023	2022	2021	2020
Net assets at the period end(Rs'000)	4,925,578	2,059,988	776,440	630,583	1,071,015	3,508,887
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>						
<b>Class C Units</b>						
Redemption	114.0631	113.4443	112.9460	112.4774	112.5377	112.2745
Offer - Class C	116.6866	115.4986	115.4986	112.4774	112.5377	112.2745
Offer - Class D	116.6866	115.4986	115.4986	115.0194	112.5377	114.8119
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>						
Highest offer price per unit - Class C	137.5509	139.0591	128.6022	121.4710	117.7051	123.1555
Lowest offer price per unit - Class C	116.0500	112.9847	112.4855	112.4774	112.1511	105.9108
Highest redemption price per unit	134.4584	136.0793	128.6022	121.4710	117.7051	123.1555
Lowest redemption price per unit	113.4409	112.9847	112.4855	112.4774	112.1511	105.9108
<b>RETURN ( % )</b>						
Total return	19.03%	20.92%	14.88%	7.89%	5.10%	16.02%
Income distribution	18.38%	20.45%	14.40%	7.95%	5.45%	10.60%
Capital growth	0.65%	0.47%	0.48%	-0.06%	-0.35%	5.42%
<b>DISTRIBUTION</b>						
First Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Second Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Third Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Fourth Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Final dividend distribution (Rs)	20.85	23.1	16.2	8.95	5.45	10.60
Date of Income Distribution	20-Jun-25	14-Jun-24	23-Jun-23	24-Jun-22	18-Jun-21	26-Jun-19
Total dividend distribution for the year/ period (Rs)	20.85	23.10	16.20	8.95	5.45	10.60
<b>AVERAGE RETURNS ( % )</b>						
Average annual return 1 year	19.03%	20.92%	14.88%	7.89%	5.10%	16.02%
Average annual return 2 year	19.97%	17.86%	11.33%	6.49%	10.43%	12.64%
Average annual return 3 year	18.25%	14.44%	9.21%	9.57%	10.07%	9.94%
<b>PORTFOLIO COMPOSITION - ( % )</b>						
Percentage of Total Assets as at 30 June:						
Bank Balances	50.87%	14.41%	17.15%	43.01%	23.17%	14.53%
T-Bills	6.65%	1.84%	0.00%	0.00%	0.00%	16.12%
Placement with Banks and DFIs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PIBs	39.64%	71.54%	27.29%	49.77%	70.05%	64.70%
Gov. Backed/Guaranteed Sec.	0.00%	0.00%	47.26%	0.00%	0.00%	0.00%
Commercial Papers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Sukuks / TFCs	0.77%	7.07%	4.97%	4.78%	4.50%	2.27%
MTS / Spread Transactions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Others Including receivables	2.07%	5.14%	3.33%	2.44%	2.28%	2.38%
Weighted average portfolio during (No. of days)	663	843	464	1,953	1,509	1,337

**Note:**

The Launch date of the Fund is July 25, 2010

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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Email: [info@cdcpak.com](mailto:info@cdcpak.com)



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL GOVERNMENT SECURITIES 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 Government Securities 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 Unit Holders of HBL Government Securities Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **HBL Government Securities 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	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 5 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 3,650.411 million as at June 30, 2025, consisting of government securities and term finance certificates which represent a significant item on the statement of assets and liabilities of the Fund.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> <li>• tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li> <li>• matched the number of term finance certificates held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;</li> </ul>

S. No.	Key audit matter	How the matter was addressed in our audit
	We have identified the existence and valuation as the significant areas during our audit of investment.	<ul style="list-style-type: none"> <li>matched government 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;</li> </ul>

#### 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.

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: AR202510057xtMcbD8vy



		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	4	1,308,525	305,886
Investments	5	3,650,411	1,707,589
Profit / mark-up receivable	6	158,882	106,827
Advances, deposits and prepayments	7	2,392	2,278
<b>TOTAL ASSETS</b>		<b>5,120,210</b>	<b>2,122,580</b>
<b>LIABILITIES</b>			
Payable to the Management Company	8	12,060	4,872
Payable to the Trustee	9	317	118
Payable to Securities and Exchange Commission of Pakistan	10	507	142
Dividend payable		230	-
Payable against redemptions of units		1,063	-
Accrued expenses and other liabilities	11	180,455	57,460
<b>TOTAL LIABILITIES</b>		<b>194,632</b>	<b>62,592</b>
<b>NET ASSETS</b>		<b>4,925,578</b>	<b>2,059,988</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>4,925,578</b>	<b>2,059,988</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	12	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>	13	<b>43,182,914</b>	<b>18,158,584</b>
		-----Rupees-----	
<b>NET ASSETS VALUE PER UNIT</b>	3.7	<b>114.0631</b>	<b>113.4443</b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

# HBL Government Securities Fund

## Income Statement

For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>Income</b>		
Capital gain on sale of investments - net	156,743	14,678
Income from government securities	1,522,460	366,190
Income from term finance certificates	9,337	51,130
Profit on bank deposits	145,993	144,940
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.3 157,670	5,842
Other income	-	504
	<b>1,992,203</b>	<b>583,284</b>
<b>Expenses</b>		
Remuneration of the Management Company	8.1 200,598	30,886
Sindh Sales Tax on remuneration of the Management Company	8.2 30,090	4,015
Allocated expenses	8.3 427	5,681
Sindh Sales Tax on allocated expenses	64	738
Selling and marketing expense	8.4 1,092	5,150
Remuneration of the Trustee	9.1 6,534	1,561
Sindh Sales Tax on remuneration of the Trustee	9.2 980	203
Securities and Exchange Commission of Pakistan fee	10.1 8,912	2,123
Printing charges	-	89
Auditors' remuneration	14 831	698
Legal and professional charges	240	150
Fee and subscription	373	331
Securities transaction costs and settlement charges	1,178	716
Bank charges	385	542
<b>Total Expenses</b>	<b>251,704</b>	<b>52,883</b>
<b>Net income for the year from operating activities before taxation</b>	<b>1,740,499</b>	<b>530,401</b>
Taxation	15 -	-
<b>Net income for the year after taxation</b>	<b>1,740,499</b>	<b>530,401</b>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	1,740,499	530,401
Income already paid on redemption of units	(1,357,936)	(360,946)
	<b>382,563</b>	<b>169,455</b>
<b>Accounting income available for distribution:</b>		
Relating to capital gain	69,108	1,067
Excluding capital gain	313,455	168,388
	<b>382,563</b>	<b>169,455</b>
<b>Earnings per unit</b>	3.10	

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**HBL Government Securities Fund**  
**Statement of Comprehensive Income**  
For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Net income for the year after taxation</b>	1,740,499	530,401
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>1,740,499</u>	<u>530,401</u>

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

# HBL Government Securities Fund

## Statement of Movement In Unit Holders' Fund

For the year ended June 30, 2025

	June 30, 2025			June 30, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	1,858,505	201,483	2,059,988	579,224	197,219	776,443
<b>Issuance of 365,421,180 units</b> (2024: 81,576,128 units)						
Capital value (at net asset value per unit at the beginning of the year)	41,454,950	-	41,454,950	9,213,730	-	9,213,730
Element of income	3,814,381	-	3,814,381	720,548	-	720,548
<b>Total proceeds on issuance of units</b>	<b>45,269,331</b>	<b>-</b>	<b>45,269,331</b>	<b>9,934,278</b>	<b>-</b>	<b>9,934,278</b>
<b>Redemption of 340,396,850 units</b> (2024: 70,291,978 units)						
Capital value (at net asset value per unit at the beginning of the year)	(38,616,082)	-	(38,616,082)	(7,939,226)	-	(7,939,226)
Income already paid on redemption of units	-	(1,357,936)	(1,357,936)	-	(360,946)	(360,946)
Element of loss	(3,270,749)	-	(3,270,749)	(490,278)	-	(490,278)
<b>Total payments on redemption of units</b>	<b>(41,886,831)</b>	<b>(1,357,936)</b>	<b>(43,244,767)</b>	<b>(8,429,504)</b>	<b>(360,946)</b>	<b>(8,790,450)</b>
Total comprehensive income for the year	-	1,740,499	1,740,499	-	530,401	530,401
Rs. 20.85 per unit declared on June 20, 2025 as cash dividend (2024: Rs. 23.10 per unit)						
Distribution during the year	-	(379,824)	(379,824)	-	(165,191)	(165,191)
Refund of capital	(519,649)	-	(519,649)	(225,493)	-	(225,493)
	(519,649)	1,360,675	841,026	(225,493)	365,210	139,717
<b>Net assets at end of the year</b>	<b>4,721,356</b>	<b>204,222</b>	<b>4,925,578</b>	<b>1,858,505</b>	<b>201,483</b>	<b>2,059,988</b>
<b>Undistributed income brought forward</b>						
Realised		195,642			196,859	
Unrealised		5,842			361	
		201,484			197,220	
<b>Accounting income available for distribution</b>						
Relating to capital gain		69,108			1,067	
Excluding capital gain		313,455			168,388	
		382,563			169,455	
Distributions during the year		(379,824)			(165,191)	
<b>Undistributed income carried forward</b>		<b>204,223</b>			<b>201,484</b>	
<b>Undistributed income carried forward</b>						
Realised		46,553			195,642	
Unrealised		157,670			5,842	
		204,223			201,484	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		113.4443			112.9464	
Net assets value per unit at end of the year		114.0631			113.4443	

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

# HBL Government Securities Fund

## Statement of Cash Flows

For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	1,740,499	530,401
<b>Adjustments for non cash and other items:</b>		
Capital gain on sale of investments - net	(156,743)	(14,678)
Income from Government securities	(1,522,460)	(366,190)
Income from term finance certificates	(9,337)	(51,130)
Profit on bank deposits	(145,993)	(144,940)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	(157,670)	(5,842)
	<u>(251,704)</u>	<u>(52,379)</u>
<b>Increase in assets</b>		
Investments - net	(1,628,409)	(1,047,158)
Advances, deposits and prepayments	(114)	(1,308)
	<u>(1,628,523)</u>	<u>(1,048,466)</u>
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	7,188	3,627
Payable to the Trustee	199	80
Payable to Securities and Exchange Commission of Pakistan	365	35
Accrued expenses and other liabilities	122,995	30,339
	<u>130,747</u>	<u>34,081</u>
<b>Net cash used in operations</b>	<u>(1,749,480)</u>	<u>(1,066,764)</u>
Income received from government securities	1,467,505	298,183
Income received from term finance certificates	17,403	40,425
Profit received on bank deposits	140,827	142,831
	<u>1,625,735</u>	<u>481,439</u>
<b>Net cash used in operating activities</b>	<u>(123,745)</u>	<u>(585,325)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	45,269,331	9,708,785
Payment against redemption of units	(43,243,704)	(8,790,450)
Dividend paid	(899,243)	(165,191)
<b>Net cash generated from financing activities</b>	<u>1,126,384</u>	<u>753,144</u>
Net increase / (decrease) in cash and cash equivalents	1,002,639	167,819
<b>Cash and cash equivalents at the beginning of the year</b>	<u>305,886</u>	<u>138,067</u>
<b>Cash and cash equivalents at end of the year</b>	<u>1,308,525</u>	<u>305,886</u>

4

The annexed notes from 1 to 27 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 Government Securities 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 Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC-II/DD/PICICIF/199 dated March 10, 2010 and the Trust Deed was executed on March 17, 2010.
- 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. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** 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 HBL Asset Management Limited is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.4** The Fund is an open-ended sovereign income scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.5** The Fund has been categorised as a sovereign income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.6** The investment objective of the Fund is to provide consistent returns to its investors through active investments in a blend of short, medium and long term securities issued and / or guaranteed by Government of Pakistan and other corporate debt instruments. The Fund will aim to provide superior risk adjusted returns through active duration and liquidity management tools.
- 1.7** VIS Credit Rating company has assigned a management quality rating of 'AM1' (Positive outlook) to the HBL Asset Management Company Limited at December 31, 2024 and assigned stability rating of AA- to the Fund dated March 03, 2025.
- 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 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

## 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.

	<b>Effective from accounting period beginning on or after</b>
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
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.

## **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 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 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 3.2.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.4)
- Taxation (notes 4.4 and 15)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and Commitments (note 12)

## **2.5 Basis of measurement**

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

## **2.6 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 Pakistan Rupees which is the Fund's functional and presentation currency.

## **3. 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.

### **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 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. Fund has opted to recognised all its debt instruments at 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 (PKRV / PKFRV / PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at rates quoted on 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 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.

### **3.6 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.

### **3.7 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.

### 3.8 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 classified as '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 / sukus, 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.

### 3.9 Expenses

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

### 3.10 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.

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>4. BANK BALANCES</b>			
In savings accounts	4.1	<u>1,308,525</u>	<u>305,886</u>
<b>4.1</b>	These bank accounts carries mark-up at rates ranging between 9% to 11.25% per annum (2024: 19.40% to 21.20%). This includes an amount held with related parties, Habib Bank Limited amounting to Rs. 332.62 million (2024: Rs. 264.96 million) on which mark-up is earned at rate of 11.50% per annum (2024: 21.15%) and HBL Microfinance Bank Limited (formerly The First Microfinance Bank Limited) amounting to Rs. 877.39 million (2024: Rs. 4.83 million) on which mark-up is earned at rate of 11.25% per annum (2024: 20.50%).		
		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>5. INVESTMENTS</b>	<b>Note</b>		
<b>Investments at fair value through profit or loss</b>			
Government securities	5.1	<u>3,590,411</u>	<u>1,557,589</u>
Term Finance Certificates - Unlisted Securities	5.2	<u>60,000</u>	<u>150,000</u>
Letter of placements	5.3	<u>-</u>	<u>-</u>
		<u>3,650,411</u>	<u>1,707,589</u>
<b>5.1 Government securities:</b>			
Market Treasury Bills	5.1.1	<u>516,016</u>	<u>39,154</u>
Pakistan Investment Bonds	5.1.2	<u>3,074,395</u>	<u>1,518,435</u>
		<u>3,590,411</u>	<u>1,557,589</u>

**7.1** This includes prepaid expenses recognised in respect of rating fee.

**7.2** 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, 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 will be refunded and return application has been filed till tax year 2021.

	Note	June 30, 2025	June 30, 2024
----- (Rupees in '000) -----			
<b>8. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable to the Management Company	8.1	9,775	2,840
Sindh Sales Tax on Management Company's remuneration	8.2	1,466	369
Sales load payable		817	228
Allocated expenses	8.3	-	-
Selling and marketing expense payable	8.4	2	1,435
		<b>12,060</b>	<b>4,872</b>

**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 2.30% per annum of average annual net assets. During the year, the fee is being charged at the rate ranging between 0.73% to 1.715% 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% (2024: 13%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

**8.3** 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. However, prior to such amendment, the Management Company charged such allocated expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

**8.4** 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. However, prior to such amendment, the Management Company charged such selling and marketing expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

	Note	June 30, 2025	June 30, 2024
----- (Rupees in '000) -----			
<b>9. PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	9.1	276	104
Sindh Sales Tax on remuneration of the Trustee	9.2	41	14
		<b>317</b>	<b>118</b>

**9.1** Trustee entitled to a remuneration at the rate of 0.055% per annum of the net assets to be paid monthly in arrears

**9.2** The Provincial Government of Sindh 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.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>10. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
SECP fee payable	10.1	<u>507</u>	<u>142</u>

**10.1** The Fund has charged SECP fee at the rate of 0.075% of the average daily net assets of the Fund which is paid on a monthly basis in arrears.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>11. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Withholding tax payable		<b>162,378</b>	40,369
Provision for Federal Excise Duty	11.1	<b>15,531</b>	15,531
Others		<b>1,281</b>	590
Zakat payable		<b>495</b>	452
Brokerage payable		<b>459</b>	81
Auditors' remuneration		<b>311</b>	437
		<u><b>180,455</b></u>	<u>57,460</u>

**11.1** 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.

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. 15.531 million (2024: Rs. 15.531 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. 0.3597 per unit (2024: Re. 0.8553 per unit).

**12. 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 -----	
<b>13. NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	18,158,584	6,874,434
Add: Units issued	365,421,180	81,576,128
Less: Units redeemed	(340,396,850)	(70,291,978)
Total units in issue at the end of the year	<u>43,182,914</u>	<u>18,158,584</u>
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>14. AUDITORS' REMUNERATION</b>		
Annual audit fee	438	368
Half yearly review fee	188	158
Other certifications and services	60	50
Out of pocket expenses	83	70
	<u>769</u>	<u>646</u>
Sales Tax	62	52
	<u>831</u>	<u>698</u>

**15. 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 year, as the Management Company has distributed at least 90% of the Fund's accounting income as reduced by accumulated losses and capital gains (whether realised or unrealised) to its unit holders.

**16. TOTAL EXPENSE RATIO**

The total annualised expense ratio (TER) of the Fund based on the current year results is 2.12% (2024: 1.87%) which includes 0.34% (2024: 0.23%) representing Government Levies and the SECP Fee. The prescribed limit for the ratio excluding Government levies is 2.5% (2024: 2.5%) under the NBFC Regulations for a Collective Investment Scheme categorised as an 'Sovereign Income fund scheme'.

**17. 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 (CISs) 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 of the Management Company and the Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

**17.1** Details of transactions with related parties / connected persons during the year:

	June 30, 2025	June 30, 2024
	----- Rupees in '000 -----	
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of Management Company	200,598	30,886
Sindh Sales Tax on remuneration of the Management Company	30,090	4,015
Allocated expenses	427	5,681
Sales tax on allocated expenses	64	738
Selling and marketing expense	1,092	5,150
Issue of 5,665,750 units (2024: Nil)	720,016	-
Redemption of 3,029,802 units (2024: Nil)	372,171	-
Dividend Reinvestment 270,024 units (2024: 448,577 units)	40,842	50,682
Refund of Capital 681,311 units (2024: nil units)	77,289	-
Amount received from Management Company against issuance to unitholders*	346	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration	6,534	1,561
Sindh Sales Tax on remuneration of the Trustee	980	203
CDC service charges	44	15
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	189	542
Profit / mark-up on deposits accounts	33,779	8,892
Purchase of Treasury Bill	4,742,285	2,639,737
Sale of Treasury Bill	5,764,287	2,794,041
Sale of Pakistan Investment Bond	2,255,173	-
Purchase of Pakistan Investment Bond	430,184	-
<b>DCCL HBL Financial Planning Fund - Active Allocation Plan</b>		
<b>Fund under common Management</b>		
Redemption of Nil units (2024: 618,612 units)	-	75,778
<b>HBL Microfinance Bank Limited (Formerly: First Microfinance Bank Limited)</b>		
Profit / mark-up on deposits accounts	-	92,303
Purchase of Treasury bill (2024: nil)	462,888	-
<b>Director and Executives of the Management Company</b>		
Issue of 1,403,732 units (2024: 368,0884 units)	174,702	48,258
Redemption of 1,466,855 units (2024: 377,553) units	76,379	48,093
Dividend Paid	-	1,534
Dividend Reinvestment 100 units (2024: nil units)	15	-
Refund of Capital of 388 units (2024: nil units)	44	-
<b>Amjad Maqsood Connected Party More Than 10%</b>		
Dividend Reinvestment Nil units (2024: 64 units)	-	7,186



	June 30, 2025	June 30, 2024
	----- Rupees in '000 -----	
<b>Qadeer Baig Connected Party More Than 10%</b>		
Dividend Reinvestment Nil units (2024: 4,487 units)	-	507
<b>Saleem Majidulla Connected Party More Than 10%</b>		
Redemption of Nil units (2024: 34,139 units)	-	4,624
<b>CDC Trustee HBL Financial Sector Income - Fund Plan - I - Connected Party</b>		
Sale of Pakistan investment bond	-	128,873
Sale of Treasury Bill	<b>772,428</b>	-
	June 30, 2025	June 30, 2024
	----- Rupees in '000 -----	
<b>CDC Trustee HBL Cash Fund - Connected Party</b>		
Sale of Treasury Bill	<b>773,778</b>	1,405,901
Purchase of Treasury Bill	<b>39,829</b>	246,077
<b>CDC Trustee HBL Pension Fund - Debt Sub Fund - Connected Party</b>		
Purchase of Pakistan Investment Bond	-	157,877
Purchase of Treasury Bill	<b>8,989</b>	123,830
<b>CDC Trustee HBL Money Market Fund - Connected Party</b>		
Sale of Treasury Bill	-	935,550
<b>CDC Trustee HBL Islamic Income Fund - Connected Party</b>		
Sale of GOP Ijara	-	802,455
Buy of GOP Ijara	-	50,120
<b>CDC Trustee HBL Total Treasury Exchange Traded Fund - Connected Party</b>		
Sale of Treasury Bill	-	1,015
Purchase of Pakistan Investment Bond	<b>52,449</b>	-
<b>CDC Trustee - HBL Income Fund</b>		
Sale of Treasury Bill	<b>203,231</b>	-
<b>1 Link Private Limited - Associate</b>		
Issue of 2,513,988 units (2024: Nil units)	<b>305,000</b>	-
Dividend Reinvestment 215,569 units (2024: nil units)	<b>32,606</b>	-
Refund of Capital of 174,637 units (2024: nil units)	<b>19,811</b>	-
<b>Pakistan National Shipping Corporation - Associate</b>		
Issue of 312 units (2024: Nil units)	<b>40</b>	-
Redemption of 312 units (2024: nil)	<b>41</b>	-

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

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>17.2 Balance outstanding as at the year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	9,775	2,840
Sindh Sales Tax payable on Management Company's remuneration	1,466	369
Sales load payable	817	228
Allocated expenses	-	-
Selling and marketing expense payable	2	1,435
Units held 6,617,085 units (2024: 3,029,802 units)	754,765	343,714
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	276	104
Sindh Sales Tax payable on Trustee Remuneration	41	14
CDC charges payable	29	13
Security deposit held	100	100
	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	332,635	264,962
Profit / mark-up receivable	3,075	780
<b>HBL Microfinance Bank Limited(Formerly: First Microfinance Bank Limited)</b>		
Bank balances	877,393	4,831
Profit / mark-up receivable	6,119	3,098
<b>Director and Executives of the Management Company</b>		
Units held: 3,331 units (2024: 18,207 units)	380	2,065
<b>Amjad Maqsood Connected Party More Than 10%</b>		
Units held: Nil (2024: 430 units)	-	49
<b>Qadeer Baig Connected Party More Than 10%</b>		
Units held: Nil (2024: 30,305 units)	-	3,438
<b>1 Link Private Limited</b>		
Units held: 2,904,194 units (2024: Nil)	331,261	-

## 18. 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.

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

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

Levels	Description	Valuation approach and input used
<b>Level 1:</b>	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.
<b>Level 2:</b>	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.
<b>Level 3:</b>	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.

Particular	As at June 30, 2025						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>							
Government securities	3,590,411	-	3,590,411	-	3,590,411	-	3,590,411
Term Finance Certificates	60,000	-	60,000	60,000	-	-	60,000
	<u>3,650,411</u>	<u>-</u>	<u>3,650,411</u>	<u>60,000</u>	<u>3,590,411</u>	<u>-</u>	<u>3,650,411</u>
<b>Financial assets not measured at fair value</b>							
Bank balances	-	1,308,525	1,308,525				
Profit / mark-up receivable	-	158,882	158,882				
Deposits	-	1,166	1,166				
	<u>-</u>	<u>1,468,573</u>	<u>1,468,573</u>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	10,594	10,594				
Payable to the Trustee	-	276	276				
Dividend payable	-	230	230				
Payable against redemptions of units	-	1,063	1,063				
Accrued expenses and other liabilities	-	2,028	2,028				
	<u>-</u>	<u>14,191</u>	<u>14,191</u>				

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.

Particular	As at June 30, 2024						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value							
Government securities	1,557,589	-	1,557,589	-	1,557,589	-	1,557,589
Term Finance Certificates	150,000	-	150,000	150,000	-	-	150,000
	<u>1,707,589</u>	<u>-</u>	<u>1,707,589</u>	<u>150,000</u>	<u>1,557,589</u>	<u>-</u>	<u>1,707,589</u>
Financial assets not measured at fair value							
Bank balances	-	305,886	305,886				
Profit / mark-up receivable	-	106,827	106,827				
Deposits	-	1,166	1,166				
	<u>-</u>	<u>413,879</u>	<u>413,879</u>				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	4,503	4,503				
Payable to the Trustee	-	104	104				
Accrued expenses and other liabilities	-	1,076	1,076				
	<u>-</u>	<u>5,683</u>	<u>5,683</u>				

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.

## 19. 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. 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.

### 19.1 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, interest rate risk and other price risk.

#### 19.1.1 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.

#### 19.1.2 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, investments in term finance certificates 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
	Note	-----Rupees in 000-----	
<b>Variable rate instrument (financial asset)</b>			
Bank balances	4	1,308,525	305,886
Term finance certificates - unlisted securities	5.1	60,000	150,000
		<u>1,368,525</u>	<u>455,886</u>
<b>Fixed rate instruments (financial assets)</b>			
Market treasury bills	5.1	516,016	39,154
Pakistan investment bonds	5.1	3,074,395	1,518,435
		<u>3,590,411</u>	<u>1,557,589</u>

#### a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 9% to 11.25% per annum (2024: 19.40% to 21.20% per annum), and investments in term finance certificates, the interest rate on which range between 12.28% to 23.14% per annum (2024: 23.14%)

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. 13.685 million (2024: Rs. 4.560 million).

#### b) Sensitivity analysis for fixed rate instruments

The Fund's investment in Market Treasury Bills and Pakistan Investment Bonds exposes it to fair value interest rate risk.

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. 35.90 million (2024: 15.58 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.

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

Particulars	As at June 30, 2025					
	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)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	9 - 11.25	1,308,525	-	-	-	1,308,525
Investments						
Government Securities	10.85 - 10.92	-	516,016	3,074,395	-	3,590,411
Term Finance Securities	12.88	60,000	-	-	-	60,000
Profit / mark-up receivable		-	-	-	158,882	158,882
Deposits		-	-	-	1,166	1,166
		<b>1,368,525</b>	<b>516,016</b>	<b>3,074,395</b>	<b>160,048</b>	<b>5,118,984</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	10,594	10,594
Payable to the Trustee		-	-	-	276	276
Dividend payable		-	-	-	230	230
Payable against redemptions of units		-	-	-	1,063	1,063
Accrued expenses and other liabilities		-	-	-	2,028	2,028
		-	-	-	<b>14,191</b>	<b>14,191</b>

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)				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	19.40 - 21.20	305,886	-	-	-	305,886
Investments						
Government Securities	16.64 - 20.31	-	39,154	1,518,435	-	1,557,589
Term Finance Securities	23.14	-	150,000	-	-	150,000
Profit / mark-up receivable		-	-	-	106,827	106,827
Deposits		-	-	-	1,166	1,166
		<b>305,886</b>	<b>189,154</b>	<b>1,518,435</b>	<b>107,993</b>	<b>2,121,468</b>
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	4,503	4,503
Payable to the Trustee		-	-	-	104	104
Accrued expenses and other liabilities		-	-	-	1,076	1,076
		-	-	-	<b>5,683</b>	<b>5,683</b>

### 19.1.3 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 loss if counterparties fail to perform as contracted. The Fund is exposed to counterparty credit risks on investments in term finance certificates, 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. 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 investment in term finance certificate (note 5.2) 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	1,308,525	1,308,525	305,886	305,886
Investments in government securities	3,590,411	-	1,557,589	-
Investments in term finance certificates	60,000	60,000	150,000	150,000
Profit receivable	158,882	14,974	106,827	17,874
Deposits	1,166	1,166	1,166	1,166
	<b>5,118,984</b>	<b>1,384,665</b>	<b>2,121,468</b>	<b>474,926</b>

**19.2.1** The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2025 and June 30, 2024:

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
<b>Rupees in '000</b>			
<b>Bank balances by rating category</b>			
Allied Bank Limited	14	AAA	PACRA
Bank Al Falah Limited	1,000	AAA	PACRA
Habib Metro Bank Limited	14	AA+	PACRA
JS Bank Limited	313	AA	PACRA
Zarai Taraqati Bank Limited	1	AAA	VIS
Samba Bank Limited	17	AA	PACRA
Sindh Bank Limited	5	AA-	VIS
Soneri Bank Limited	613	AA-	PACRA
MCB Bank Limited	115	AAA	PACRA
Habib Bank Limited	332,635	AAA	VIS
Faysal Bank Limited	145	AA	PACRA
Dubai Islamic Bank Pakistan Limited	9	AA	VIS
National Bank of Pakistan	13	AAA	PACRA
HBL Microfinance Bank Limited	877,393	A+	PACRA
Khushhali Microfinance Bank Limited	26	A-	VIS
U Microfinance Bank Limited	13	A+	PACRA
Mobilink Microfinance Bank Limited	10	A	PACRA
United Bank Limited	96,164	AAA	VIS
Bank Al Habib Limited	25	AAA	PACRA
	<b>1,308,525</b>		
<b>Investments by rating category</b>			
Term finance certificates - unlisted			
Aspin Pharma (Private) Limited	60,000	AA	PACRA
<b>Total</b>	<b>1,368,525</b>		

Name of Banks	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
<b>---Rupees in '000---</b>			
<b>Bank balances by rating category</b>			
Allied Bank Limited	14	AAA	PACRA
Bank Al Falah Limited	19	AAA	PACRA
Habib Metro Bank Limited	14	AA+	PACRA
JS Bank Limited	313	AA	PACRA
Zarai Taraqati Bank Limited	-	AAA	VIS
Samba Bank Limited	17	AA	PACRA
Sindh Bank Limited	5	A	VIS
Soneri Bank Limited	35,380	AA-	PACRA
MCB Bank Limited	115	AAA	PACRA
Habib Bank Limited	264,961	AAA	VIS
Faysal Bank Limited	145	AA	VIS
Dubai Islamic Bank Pakistan Limited	9	AA	VIS
National Bank of Pakistan	13	AAA	PACRA
HBL Microfinance Bank Limited	4,831	A+	PACRA
Khushhali Microfinance Bank Limited	26	A+	VIS
U Microfinance Bank Limited	13	A+	PACRA
Mobilink Microfinance Bank Limited	11	A	VIS
	<b>305,886</b>		
<b>Investments by rating category</b>			
Term finance certificates - unlisted			
OBS Pharma (Private) Limited	150,000	AA	PACRA
	<b>455,886</b>		



**19.2.2** The analysis below summarises the credit quality of the Fund's credit exposure:

	June 30, 2025	June 30, 2024
	----- (Percentage) -----	
<b>Rating by rating category</b>		
AAA	<b>32.859</b>	86.67
AA+	<b>0.001</b>	0.00
AA	<b>0.037</b>	0.16
AA-	<b>0.047</b>	11.57
A+	<b>67.053</b>	1.59
A	<b>0.001</b>	0.01
A-	<b>0.002</b>	0.00
	<b>100</b>	100

#### **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, term finance certificates 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.

#### **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 using the central clearing system.

### **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 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.

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 (2024: None).

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.

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

Investments

Profit / mark-up receivable

Deposits

1,308,525	-	-	-	-	1,308,525
-	60,000	516,016	3,074,395	-	3,650,411
11,343	3,631	143,908	-	-	158,882
1,166	-	-	-	-	1,166
<b>1,321,034</b>	<b>63,631</b>	<b>659,924</b>	<b>3,074,395</b>	<b>-</b>	<b>5,118,984</b>

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 liabilities**

Payable to the Management Company

Payable to the Trustee

Dividend payable

Payable against redemptions of units

Accrued expenses and other liabilities

10,594	-	-	-	-	10,594
276	-	-	-	-	276
-	-	-	-	-	230
-	-	-	-	-	1,063
2,028	-	-	-	-	2,028
<b>12,898</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,191</b>

**On-balance sheet gap**

**Total liquidity risk sensitivity gap**

**Cumulative liquidity risk sensitivity gap**

1,308,136	63,631	659,924	3,074,395	-	5,104,793
1,308,136	63,631	659,924	3,074,395	-	
1,308,136	63,631	659,924	3,074,395	-	

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

Investments

Profit / mark-up receivable

Deposits

305,886	-	-	-	-	305,886
-	150,000	39,154	1,518,435	-	1,707,589
6,177	11,697	88,953	-	-	106,827
1,166	-	-	-	-	1,166
<b>313,229</b>	<b>161,697</b>	<b>128,107</b>	<b>1,518,435</b>	<b>-</b>	<b>2,121,468</b>

**Financial liabilities**

Payable to the Management Company

Payable to the Trustee

Accrued expenses and other liabilities

4,503	-	-	-	-	4,503
104	-	-	-	-	104
1,076	-	-	-	-	1,076
<b>5,683</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,683</b>

**On-balance sheet gap**

**Total liquidity risk sensitivity gap**

**Cumulative liquidity risk sensitivity gap**

307,546	161,697	128,107	1,518,435	-	2,115,785
307,546	161,697	128,107	1,518,435	-	
307,546	161,697	128,107	1,518,435	-	

## 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 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.

## 21. LIST OF TOP BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

### Top brokers during the year ended June 30, 2025

1. Invest One Market Limited
2. Continental Exchange (Private) Limited.
3. Akd Securities Limited
4. Alfalah Clsa Securities (Private) Limited
5. Magenta Capital (Private) Limited
6. Icon Management (Private) Limited
7. First Credit And Investment Bank Limited
8. Arif Habib Limited
9. Vector Securities (Private) Limited
10. Currency Market Associates (Private) Limited

### Top brokers during the year ended June 30, 2024

1. Al Falah CLSA Securities (Private) Limited
2. Optimus Markets (Private) Limited
3. BMA Capital Management Limited
4. C & M Management (Private) Limited
5. Invest One Markets Limited
6. JS Global Capital Limited
7. Paramount Capital (Private) Limited
8. Summit Capital (Private) Limited
9. Icon Securities (Private) Limited

**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 follows:

		Designation		
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
5.	Hammad Ali Abbas	Senior Fund Manager	MSC	20

**23. PATTERN OF UNITHOLDING**

Category	----- As at June 30, 2025 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	-----%-----
Individuals	1,463	20,603,397	2,350,087	47.71
Retirement funds	5	3,594,525	410,004	8.32
Trusts	12	1,389,049	158,439	3.22
Foreign investors	4	54,048	6,165	0.13
Other corporates	15	10,467,156	1,193,916	24.24
Asset Management Company	1	6,617,085	754,765	15.32
Insurance Company	1	457,653	52,202	1.06
	<b>1,501</b>	<b>43,182,914</b>	<b>4,925,578</b>	<b>100</b>

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	-----%-----
Individuals	1944	13,557,118	1,537,978	74.66
Associated company	2	3,029,802	343,714	16.69
Retirement funds	32	676,904	76,791	3.73
Trusts	12	1,382	157	0.01
Foreign investors	6	7,174	813	0.04
Other corporate	36	886,205	100,535	4.88
	<b>2,032</b>	<b>18,158,584</b>	<b>2,059,988</b>	<b>100.00</b>

**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	-	-

\* Completed term and retire on April 28, 2025.

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

\*\*\* Appointed on April 29, 2025.

## 25. 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.

## 26. GENERAL

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

## 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.

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



**HBL** Stock Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL</b> Stock Fund
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited
<b>NAME OF AUDITORS</b>	A.F. Ferguson & Co.
<b>NAME OF BANKERS</b>	Habib Bank Limited Allied Bank Limited MCB Bank Limited JS Bank Limited Soneri Bank Limited Zarai Taraqiyati Bank Limited Habib Metropolitan Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited National Bank of Pakistan HBL Micro Finance Bank Limited

**Type and Category of Fund**

Open end Equity Fund

**Investment Objective and Accomplishment of Objective**

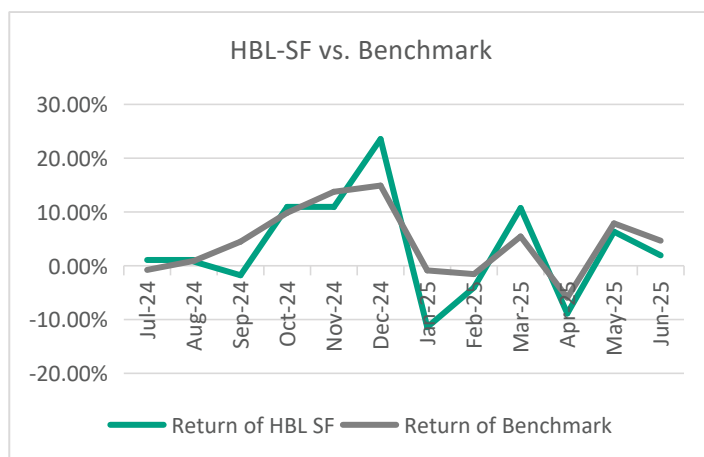
The Fund will seek to focus on undervalued stocks of companies offering prospect for Capital Growth. The fund will invest In Equity Instrument and T-Bills less then 90 days maturity.

**Benchmark and Performance Comparison with Benchmark**

KSE30 (Total Return) Index

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

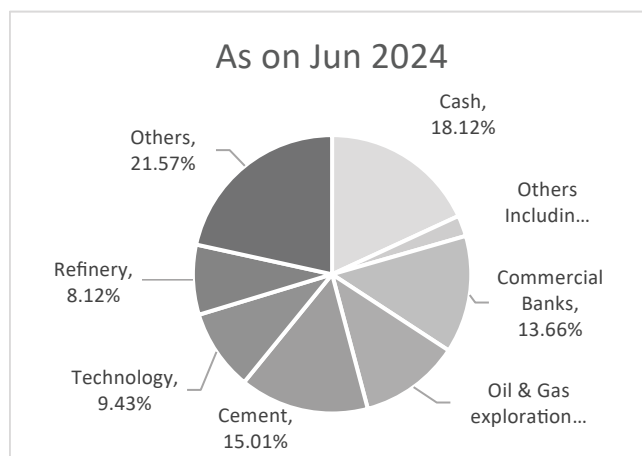
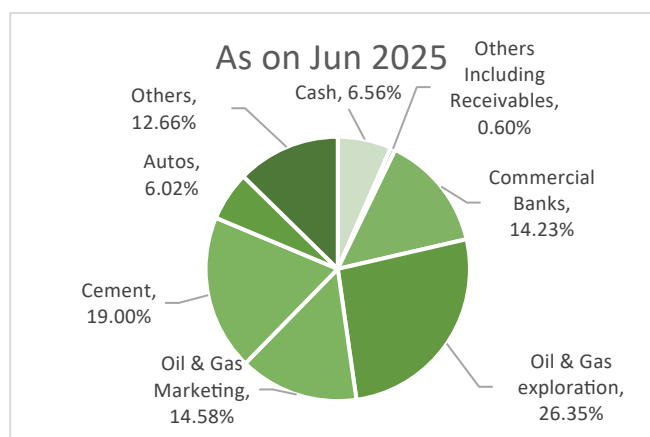
Month	Return of Fund	
	HBL -SF	Benchmark
Jun-25	1.93%	4.66%
May-25	6.33%	7.88%
Apr-25	-8.88%	-5.93%
Mar-25	10.74%	5.45%
Feb-25	-4.05%	-1.55%
Jan-25	-11.42%	-0.86%
Dec-24	23.56%	14.91%
Nov-24	10.90%	13.75%
Oct-24	10.95%	9.85%
Sep-24	-1.77%	4.48%
Aug-24	0.78%	0.90%
Jul-24	1.08%	-0.77%



**Strategies and Policies employed during the Year**

During the year under review, the Fund increased its exposure in equity from 79.45% of total assets as on June 30, 2024 to 92.84% 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, sector wise exposure in oil and gas marketing, oil and gas exploration, cement and autos has increased, while exposure in technology and refinery has 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	6.56%	18.12%
Others Including Receivables	0.60%	2.43%
Commercial Banks	14.23%	13.66%
Oil & Gas exploration	26.35%	11.66%
Oil & Gas Marketing	14.58%	
Cement	19.00%	15.01%
Autos	6.02%	
Technology	0.00%	9.43%
Refinery	0.00%	8.12%
Others	12.7%	21.6%
Total	100.00%	100.00%

## Fund Performance

The total and net income of the Fund was Rs. 183.92 million and Rs. 154.47 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs 170.4469 per unit as on June 30, 2025 as compared to Rs 120.5342 per unit as on June 30, 2024, thereby giving a return of 41.41%. During the same period the benchmark KSE 30 index yielded a return of 64.20%. The size of Fund was Rs 0.75 billion as on June 30, 2025 as compared to Rs. 0.23 billion at the start of the year.

## Market Review

In FY25, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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 re-rating. 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 year under review.

#### Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 – 100	436	8,760
101 – 500	128	30,150
501 – 1,000	45	30,799
1,001 – 10,000	117	452,054
10,001 – 100,000	45	1,196,453
500,001 – 1,000,000	2	1,335,340
100,001 – 500,000	5	1,365,661
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	778	4,419,218

#### Unit Splits

There were no unit splits during the year.

#### Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

#### sSoft Commission

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

# PERFORMANCE TABLE – HBL STOCK FUND

As at June 30, 2025

	2025	2024	2023	2022	2021	2020	2019
Net assets at the period end (Rs'000)	753,242	225,237	160,231	235,637	951,345	1,840,743	2,146,517
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>							
Redemption	170.4469	120.5342	69.6596	112.1020	112.1020	86.3419	89.7221
Offer	174.3672	123.9393	71.6275	115.2689	115.2689	88.7811	92.2567
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>							
Highest offer price per unit	190.5245	130.6606	78.1552	117.5302	117.1157	116.9356	114.7399
Lowest offer price per unit	123.1782	76.2406	64.4225	73.6953	90.2495	72.4474	90.1337
Highest redemption price per unit	186.2410	130.6606	76.0080	114.3012	113.8981	113.7229	111.5876
Lowest redemption price per unit	120.4088	74.1460	62.6526	71.6706	87.7700	70.4570	87.6574
<b>RETURN ( % )</b>							
Total return	41.41%	85.59%	-3.15%	-35.84%	29.83%	-3.77%	-16.20%
Income distribution	0.00%	12.56%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital growth	41.41%	73.03%	-3.15%	-35.84%	29.83%	-3.77%	-16.20%
<b>DISTRIBUTION</b>							
Final dividend distribution (Rs)	-	8.75	-	-	-	-	-
Date of Income Distribution	-	28-Jun-24	-	-	-	-	-
Total dividend distribution for the year/ period (Rs)	-	8.75	-	-	-	-	-
<b>AVERAGE RETURNS ( % )</b>							
Average annual return 1 year	41.41%	85.59%	-3.15%	-35.84%	29.83%	-3.77%	-16.20%
Average annual return 2 year	62.00%	34.07%	-21.17%	-8.73%	11.77%	10.20%	-14.05%
Average annual return 3 year	36.47%	4.87%	-6.91%	-7.11%	1.54%	10.75%	-2.91%
<b>PORTFOLIO COMPOSITION - (%)</b>							
Percentage of Total Assets as at 30 June:							
Bank Balances	6.56%	18%	19%	17%	7%	11%	11%
Stock / Equities	92.84%	79%	72%	80%	59%	89%	88%
Placement with Banks and DFIs	0%	0%	0%	0%	0%	0%	0%
Others Including Receivables	0.60%	2%	9%	2%	35%	1%	2%

**Note:**

The Launch date of the Fund is August 31, 2007

**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

HBLSF	Meetings	Resolutions	For	Against
Number	4	9	9	-
(%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	19/12/2024 20-6-25
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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S.M.C.H.S. Main Shakra-e-Faisal  
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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 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 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, Karachi, September 29, 2025





**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of HBL Stock Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HBL 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	<b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)	
	<p>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. 129.325 million and Rs. 743.371 million respectively.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
 State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan  
 Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>



### 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.

AHC6



- 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.  
Chartered Accountants  
Karachi

Dated: September 26, 2025

UDIN: AR202510061pg8mv4bJF



**HBL Stock Fund**  
**Statement of Assets and Liabilities**  
*As at June 30, 2025*

	Note	2025	2024
----- Rupees in '000 -----			
<b>ASSETS</b>			
Bank balances	4	129,325	49,810
Investments	5	743,371	218,386
Dividend and profit receivable	6	1,273	1,747
Advances and deposits - net	7	3,111	3,111
Receivable from HBL Asset Management Limited - Management Company	8	1,232	1,852
<b>Total assets</b>		<b>878,312</b>	<b>274,906</b>
<b>LIABILITIES</b>			
Payable to HBL Asset Management Limited - Management Company	9	3,689	618
Payable to Central Depository Company of Pakistan Limited - Trustee	10	148	39
Payable to the Securities and Exchange Commission of Pakistan	11	60	16
Payable against purchase of investments		-	7,107
Payable against redemption of units		79,210	-
Dividend payable		-	1,638
Accrued expenses and other liabilities	12	41,963	40,252
<b>Total liabilities</b>		<b>125,070</b>	<b>49,670</b>
<b>NET ASSETS</b>		<b>753,242</b>	<b>225,236</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>753,242</b>	<b>225,236</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13	----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	17	<b>4,419,218</b>	<b>1,868,652</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>	3.7	<b>170.4469</b>	<b>120.5342</b>

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**

	Note	2025	2024
----- Rupees in '000 -----			
<b>INCOME</b>			
Dividend income		18,638	11,360
Profit on savings accounts with banks		7,435	9,076
Net realised gain on sale of investments		93,455	55,367
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	64,388	25,705
		<u>157,843</u>	<u>81,072</u>
<b>Total income</b>		<b>183,916</b>	<b>101,508</b>
<b>EXPENSES</b>			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	9.1 & 9.2	18,409	3,957
Selling and marketing expenses	9.3	-	753
Allocation of expenses related to registrar services, accounting, operation and valuation services	9.4	-	635
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	10.1 & 10.2	1,364	352
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	563	147
Securities transaction costs		7,827	1,901
Auditors' remuneration	14	1,414	1,183
Settlement and bank charges		871	421
Fees and subscription		226	378
Reimbursement from HBL Asset Management Limited - Management Company		(1,232)	(1,852)
<b>Total expenses</b>		<b>29,442</b>	<b>7,875</b>
<b>Net income for the year before taxation</b>		<b>154,474</b>	<b>93,633</b>
Taxation	16	-	-
<b>Net income for the year after taxation</b>		<b>154,474</b>	<b>93,633</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		154,474	93,633
Income already paid on redemption of units		(84,376)	(35,442)
		<u>70,098</u>	<u>58,191</u>
<b>Accounting income available for distribution</b>			
- Relating to capital gains		70,098	48,219
- Excluding capital gains		-	9,972
		<u>70,098</u>	<u>58,191</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 Stock Fund**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	2025	2024
	----- Rupees in '000 -----	
Net income for the year after taxation	154,474	93,633
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<u>154,474</u>	<u>93,633</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 Stock Fund**  
**Statement of Movement in Unit Holders' Fund**  
For the year ended June 30, 2025

	2025			2024		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	----- Rupees in '000 -----					
<b>Net assets at the beginning of the year</b>	1,357,996	(1,132,760)	225,236	1,341,385	(1,181,154)	160,231
Issuance of 14,341,285 units (2024: 4,234,337 units)						
- Capital value (at net asset value per unit at the beginning of the year)	1,728,615	-	1,728,615	294,963	-	294,963
- Element of income	529,414	-	529,414	115,488	-	115,488
<b>Total proceeds on issuance of units</b>	2,258,029	-	2,258,029	410,451	-	410,451
Redemption of 11,790,719 units (2024: 4,665,880 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(1,421,185)	-	(1,421,185)	(325,024)	-	(325,024)
- Element of loss	(378,936)	(84,376)	(463,312)	(63,258)	(35,442)	(98,700)
<b>Total payments on redemption of units</b>	(1,800,121)	(84,376)	(1,884,497)	(388,282)	(35,442)	(423,724)
Total comprehensive income for the year	-	154,474	154,474	-	93,633	93,633
Final distribution for the year ended June 30, 2024 (cash distribution @ Rs 8.75 per unit declared on June 28, 2024)	-	-	-	-	(9,797)	(9,797)
Refund of capital	-	-	-	(5,558)	-	(5,558)
<b>Net income for the year less distribution</b>	-	154,474	154,474	(5,558)	83,836	78,278
<b>Net assets at the end of the year</b>	<b>1,815,904</b>	<b>(1,062,662)</b>	<b>753,242</b>	<b>1,357,996</b>	<b>(1,132,760)</b>	<b>225,236</b>
<b>Accumulated loss brought forward comprising of:</b>						
- Realised loss		(1,158,465)			(1,177,896)	
- Unrealised gain / (loss)		25,705			(3,258)	
		(1,132,760)			(1,181,154)	
<b>Accounting income available for distribution:</b>						
- Relating to capital gains		70,098			48,219	
- Excluding capital gains		-			9,972	
		70,098			58,191	
Final distribution for the year ended June 30, 2024 (cash distribution @ Rs 8.75 per unit declared on June 28, 2024)		-			(9,797)	
<b>Accumulated loss carried forward</b>		<b>(1,062,662)</b>			<b>(1,132,760)</b>	
<b>Accumulated loss carried forward comprising of:</b>						
- Realised loss		(1,127,050)			(1,158,465)	
- Unrealised gain		64,388			25,705	
		(1,062,662)			(1,132,760)	
				(Rupees)		(Rupees)
<b>Net asset value per unit at the beginning of the year</b>				<u>120.5342</u>		<u>69.6597</u>
<b>Net asset value per unit at the end of the year</b>				<u>170.4469</u>		<u>120.5342</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**

	Note	2025	2024
		----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the year before taxation		154,474	93,633
<b>Adjustments for:</b>			
Profit on savings accounts with banks		(7,435)	(9,076)
Dividend income		(18,638)	(11,360)
Net realised gain on sale of investments		(93,455)	(55,367)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	(64,388)	(25,705)
		(29,442)	(7,875)
<b>(Increase) / decrease in assets</b>			
Investments - net		(374,249)	25,756
Receivable from HBL Asset Management Limited - Management Company		620	273
		(373,629)	26,029
<b>Increase / (decrease) in liabilities</b>			
Payable to HBL Asset Management Limited - Management Company		3,071	(180)
Payable to Central Depository Company of Pakistan Limited - Trustee		109	9
Payable to the Securities and Exchange Commission of Pakistan		44	(22)
Accrued expenses and other liabilities		1,711	58
		4,935	(135)
		(398,136)	18,019
Profit received on savings accounts with banks		7,469	9,293
Dividend received		19,078	10,766
<b>Net cash (used in) / generated from operating activities</b>		(371,589)	38,078
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts against issuance and conversion of units		2,258,029	410,451
Payment against redemption and conversion of units		(1,805,287)	(423,724)
Refund of capital		-	(5,558)
Cash dividend paid		(1,638)	(8,159)
<b>Net cash generated from / (used in) financing activities</b>		451,104	(26,990)
<b>Net increase in cash and cash equivalents during the year</b>		79,515	11,088
Cash and cash equivalents at the beginning of the year		49,810	38,722
<b>Cash and cash equivalents at the end of the year</b>	4	129,325	49,810

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** HBL 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 August 09, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 21, 2007. 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 September 8, 2021, the above-mentioned Trust Deed was registered under the "Sindh Trust Act, 2020".
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under 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 located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at a par value of Rs 10 per unit from August 29, 2007 to August 31, 2007.
- 1.4** The principal objective of the Fund is to focus on undervalued stocks of companies offering prospect for capital growth by investing in equity instrument and T-Bills less than 90 days maturity.
- 1.5** VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating at 'AM1' dated December 31, 2024 (2024: 'AM1' dated December 29, 2023) and the outlook on the assigned rating remains 'Stable' (2024: Stable). The rating reflects the Management Company's adequate corporate governance framework with a well structured Board and Committees, experience management team, and adherence to best governance practices, deriving sustained growth.
- 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 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 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 Regulation) 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 VIII A 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

## **2.2 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. "

## **2.3 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 01, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## **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 judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and 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 judgements about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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 3.3 and 5) and provision for federal excise duty (note 12.1).

## **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. 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 21.

## **2.6 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.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

**3.1** The 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.

### **3.2 Cash and cash equivalents**

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

### **3.3 Financial assets**

#### **3.3.1 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.

#### **3.3.2 Classification and subsequent measurement**

##### **Equity instruments**

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

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as 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.

##### **3.3.2.1 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.

### **3.3.2.2 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.

### **3.3.2.3 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.

### **3.4 Financial liabilities**

All financial liabilities are recorded 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 discharged 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.

### **3.5 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.

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

### **3.7 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.

### **3.8 Issue and redemption of units**

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### **3.9 Distribution to the unit holders**

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the 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.

### **3.10 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 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 will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### **3.11 Revenue recognition**

- Realised gains / (losses) arising on sale of investments are included in Income Statement and are recognised 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 included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established; and
- Profit on savings accounts with bank and income from government securities are recognised on a time proportion basis using the effective yield method.

### **3.12 Expenses**

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

### 3.13 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.

4	BANK BALANCES	Note	2025	2024
----- Rupees in '000 -----				
	Balances with banks in:			
	Savings accounts	4.1	129,310	39,794
	Current accounts		15	10,016
			129,325	49,810

4.1 These include balances of Rs. 2.331 million (2024: Rs. 26.045 million) with Habib Bank Limited (a related party) carrying profit at the rate of 11.11% (2024: 16%) and Rs. 0.686 million (2024: Rs. 6.549 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.25% (2024: 20.25% to 22%). Other savings accounts of the Fund carry profit at the rate of 9.5% (2024: 18.% to 21.5%) per annum.

5	INVESTMENTS	Note	2025	2024
----- Rupees in '000 -----				
	<b>At fair value through profit or loss</b>			
	- Quoted equity securities	5.1	743,371	218,386

#### 5.1 Quoted equity securities

Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / Rights issue	Sold during the year	As at June 30, 2025	Carrying Value as at June 30, 2025	Market value as at June 30, 2025	Unrealized (diminution) / appreciation as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Total market value of investments	Net assets of the Fund	
						(Rupees in '000)		%			
<b>CEMENT</b>											
Attock Cement Pakistan Limited	-	269,100	-	200,100	69,000	20,780	20,189	(591)	2.72%	2.68%	0.05%
Cherat Cement Company Limited	-	171,000	-	171,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	120,500	556,500	-	464,000	213,000	26,106	35,264	9,158	4.74%	4.68%	0.05%
Fauji Cement Company Limited (note 5.1.2 & 5.1.4)	-	1,948,102	-	1,028,102	920,000	35,385	41,096	5,711	5.53%	5.46%	0.04%
Gharibwal Cement Limited	-	1,262,682	-	1,262,682	-	-	-	-	-	-	-
Lucky Cement Limited (note 5.1.1)	12,068	62,632	-	74,700	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited. (note 5.1.2)	150,000	1,837,000	-	1,327,000	660,000	35,495	55,625	20,130	7.48%	7.38%	0.06%
Pioneer Cement Limited	81,500	43,700	-	125,200	-	-	-	-	-	-	-
Thatta Cement Company Limited	-	217,000	-	217,000	-	-	-	-	-	-	-
						117,766	152,174	34,408	20.47%	20.20%	
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
Hub Power Company Limited (note 5.1.2)	117,000	21,500	-	138,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>ENGINEERING</b>											
Crescent Steel & Allied Products Limited	-	58,000	-	58,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited (note 5.1.3)	20,889	-	-	-	20,889	1,943	1,507	(436)	0.20%	0.20%	0.01%
						1,943	1,507	(436)	0.20%	0.20%	-
<b>PHARMACEUTICALS</b>											
BF Biosciences Limited (note 5.1.1)	-	353,140	-	309,140	44,000	10,151	7,423	(2,728)	1.00%	0.99%	0.05%
GlaxoSmithKline Pakistan Limited	-	120,500	-	120,500	-	-	-	-	-	-	-
The Searle Company Limited * (note 5.1.3)	11,915	-	-	-	11,915	681	1,045	364	0.14%	0.14%	0.00%
						10,832	8,468	(2,364)	1.14%	1.12%	-
<b>TEXTILE COMPOSITE</b>											
Nishat Mills Limited	-	380,000	-	380,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>PAPER &amp; BOARD</b>											
SPEL Limited (note 5.1.1)	-	714,000	-	714,000	-	-	-	-	-	-	-
						-	-	-	-	-	-

# HBL 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 / Rights issue	Sold during the year	As at June 30, 2025	Carrying Value as at June 30, 2025	Market value as at June 30, 2025	Unrealized (diminution) / appreciation as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Total market value of investments	Net assets of the Fund	
Number of shares						Rupees in '000			%		
<b>INV. BANKS / INV. COS. / SECURITIES COS.</b>											
Engro Holdings Limited	-	61,500	-	61,500	-	-	-	-	-	-	-
Pakistan Stock Exchange Limited	-	1,023,500	-	733,500	290,000	10,315	8,111	(2,204)	1.09%	1.08%	0.04%
						10,315	8,111	(2,204)	1.09%	1.08%	
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Mari Energies Limited (note 5.1.2)	-	263,891	-	193,691	70,200	38,658	44,008	5,350	5.92%	5.84%	0.01%
Oil & Gas Development Company Limited (note 5.1.2)	120,500	699,500	-	428,000	392,000	79,246	86,460	7,214	11.63%	11.48%	0.01%
Pakistan Petroleum Limited (note 5.1.2)	134,500	817,500	-	479,000	473,000	76,173	80,490	4,317	10.83%	10.69%	0.02%
						194,077	210,958	16,881	28.38%	28.01%	
<b>Balance carried forward</b>						<b>334,933</b>	<b>381,218</b>	<b>46,285</b>			
<b>Balance brought forward</b>											
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Pakistan State Oil Company Limited (note 5.1.2 & 5.1.3)	51,003	414,000	-	283,500	181,503	64,479	68,522	4,043	9.22%	9.10%	0.04%
Sui Northern Gas Pipelines Limited (note 5.1.2)	123,000	1,036,600	-	746,200	413,400	42,103	48,248	6,145	6.49%	6.41%	0.07%
Sui Southern Gas Company Limited	-	2,795,000	-	2,795,000	-	-	-	-	-	-	-
						106,582	116,770	10,188	15.71%	15.50%	
<b>REFINERY</b>											
Attock Refinery Limited	34,000	224,351	-	205,851	52,500	35,421	35,670	249	4.80%	4.74%	0.05%
National Refinery Limited	39,000	-	-	39,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	2,021,500	-	2,021,500	-	-	-	-	-	-	-
						35,421	35,670	249	4.80%	4.74%	
<b>COMMERCIAL BANKS</b>											
Askari Bank Limited	-	530,000	-	-	530,000	24,011	26,129	2,118	3.51%	3.47%	0.04%
Bank AL Habib Limited * note (5.1.2)	113,332	202,700	-	266,032	50,000	7,730	7,889	159	1.06%	1.05%	0.00%
Faysal Bank Limited * note (5.1.3)	26,018	-	-	-	26,018	1,364	1,814	450	0.24%	0.24%	0.00%
Habib Bank Limited	50,000	403,625	-	310,125	143,500	24,159	25,714	1,555	3.46%	3.41%	0.01%
MCB Bank Limited *	-	55,000	-	-	55,000	15,440	15,859	419	2.13%	2.11%	0.00%
Meezan Bank Limited	10,000	-	-	10,000	-	-	-	-	-	-	-
National Bank of Pakistan	-	990,000	-	653,500	336,500	26,068	36,574	10,506	4.92%	4.86%	0.02%
United Bank Limited (note 5.1.1 & 5.1.2)	58,000	131,500	-	189,500	-	-	-	-	-	-	-
						98,772	113,979	15,207	15.33%	15.13%	
<b>FERTILIZER</b>											
Engro Fertilizers Limited	-	219,000	-	219,000	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	439,172	-	439,172	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Air Link Communication Limited	-	54,000	-	54,000	-	-	-	-	-	-	-
Avanceon Limited	-	177,500	-	177,500	-	-	-	-	-	-	-
NetSol Technologies Limited	122,500	30,000	-	152,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	3,274,926	-	2,524,934	749,992	19,636	19,080	(556)	2.57%	2.53%	0.02%
Systems Limited (note 5.1.1)	-	166,000	-	-	166,000	17,548	17,785	237	2.39%	2.36%	0.01%
TPL Trakker Limited	1,498,000	-	-	-	1,498,000	9,288	10,681	1,393	1.44%	1.42%	0.80%
						46,472	47,546	1,074	6.40%	6.31%	
<b>FOOD &amp; PERSONAL CARE PRODUCTS</b>											
The Organic Meat Company Limited	-	248,000	-	248,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>											
Loads Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>CABLE &amp; ELECTRICAL GOODS</b>											
Pak Elektron Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>TRANSPORT</b>											
Secure Logistics Group Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>AUTOMOBILE ASSEMBLER</b>											
Ghandhara Automobiles Limited	-	313,750	-	251,550	62,200	30,322	23,472	(6,850)	3.16%	3.12%	0.11%
Ghandhara Industries Limited	-	269,167	-	231,167	38,000	26,481	24,716	(1,765)	3.32%	3.28%	0.09%
Honda Atlas Cars (Pakistan) Limited	37,000	30,000	-	67,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	13,000	-	-	13,000	-	-	-	-	-	-	-
						56,803	48,188	(8,615)	6.48%	6.40%	
<b>Total as at June 30, 2025</b>						<b>678,983</b>	<b>743,371</b>	<b>64,388</b>			
<b>Total as at June 30, 2024</b>						<b>192,681</b>	<b>218,386</b>	<b>25,705</b>			

\* Nil figures due to rounding off difference

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

Name of investee company	Nominal value per share as on June 30, 2025	Subdivision of shares during the year
	(Rupees)	
United Bank Limited	-	-
SPEL Limited	-	-
Systems Limited	-	On June 2, 2025 from Rs. 10 to Rs. 2 per share
Lucky Cement Limited	-	On April 28, 2025 from Rs. 10 to Rs. 2 per share
BF Biosciences Limited	-	-

**5.1.2** The 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 Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

	2025	2024	2025	2024
	--- (Number of shares) ---		----- Rupees in '000 -----	
The Hub Power Company Limited	-	20,000	-	3,262
Mari Energies Limited	20,000	-	12,538	-
Bank Al-Habib Limited	-	104,000	-	11,667
Fauji Cement Company Limited	13,000	-	581	-
Maple Leaf Cement Factory Limited	125,000	105,000	10,535	3,990
Oil & Gas Development Company Limited	147,000	63,500	32,422	8,596
Pakistan Petroleum Limited	176,000	100,000	29,950	11,711
Pakistan State Oil Company Limited	19,000	-	7,173	-
Sui Northern Gas Pipelines Limited	118,500	63,500	13,830	4,030
United Bank Limited	-	15,681	-	4,018
	<u>618,500</u>	<u>471,681</u>	<u>107,029</u>	<u>47,274</u>

**5.1.3** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to 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 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 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the 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 had filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High of Sindh had issued notices to the relevant parties and had 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 since July 1, 2018 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 year, the Honorable High Court of Sindh 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	
Mughal Iron & Steel Industries Limited	20,889	1,507	20,889	1,943
The Searle Company Limited	11,915	1,045	11,915	681
Pakistan State Oil Company Limited	3,503	1,322	3,503	582
Faysal Bank Limited	26,018	1,814	26,018	1,364
	<u>62,325</u>	<u>5,688</u>	<u>62,325</u>	<u>4,570</u>

5.1.4 During the year, Fauji Fertilizer Bin Qasim Limited (FFBL) has been merged with and into Fauji Fertilizer Company Limited (FFCL), upon sanction by the Honourable Lahore High Court, Rawalpindi Bench. In accordance with the Scheme of Arrangement, and in consideration for the merger in terms thereof, FFCL will allot and issue an aggregate of 150,870,449 ordinary shares of FFCL (FFCL Shares) to the FFBL Shareholders (being the members of FFBL, other than FFCL and its nominees, if any), based on a swap ratio of 1 (one) FFCL Share for every 4.29 ordinary shares of FFBL held by each FFBL Shareholder (subject to the adjustment of fractional shares), in the manner detailed in the Scheme.

As result of above arrangement, the Fund received 58,750 shares of Fauji Fertilizer Company Limited (FFCL) in lieu of 250,000 shares of Fauji Fertilizer Bin Qasim Limited (FFBL).

5.2	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	5.1	743,371	218,386
	Less: carrying value of investments	5.1	(678,983)	(192,681)
			<u>64,388</u>	<u>25,705</u>
6	<b>DIVIDEND AND PROFIT RECEIVABLE</b>			
	Dividend receivable		789	1,229
	Profit receivable on bank balances		484	518
			<u>1,273</u>	<u>1,747</u>

**7 ADVANCES AND DEPOSITS - NET**

Security deposit with:			
- National Clearing Company of Pakistan Limited		2,500	2,500
- Central Depository Company of Pakistan Limited		100	100
Advance tax	7.3	511	511
Advance against subscription of Term Finance Certificates (TFC)	7.1	25,000	25,000
		<u>28,111</u>	<u>28,111</u>
Less: provision in respect of advance against subscription of term finance certificates	7.2	(25,000)	(25,000)
		<u>3,111</u>	<u>3,111</u>

**7.1** The Fund had subscribed towards the term finance certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till June 30, 2025. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at June 30, 2025, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

**7.2** Disclosure under circular 16 of 2010 issued by the Securities and Exchange Commission of Pakistan - categorisation of open end scheme

The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Stock Fund (the Fund) as 'Equity Scheme' in accordance with the said circular. As at June 30, 2025, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of non-complaint investment	Type of investment	Value of Investment before provision	Provision held (if any)	Value of investment after provision	% of Gross assets
----- Rupees in '000 -----					
Dewan Cement Limited	TFC	25,000	25,000	-	-

**7.3** 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 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 by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs. 0.511 million (2024: Rs. 0.511 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 taxes deducted on profit received by the Fund on dividends and profit on bank deposits have been shown as other receivables as at June 30, 2025 as, in the opinion of the management company, the amount of tax deducted at source will be refunded.

**8 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, the Fund was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as equity scheme. As a result the Fund has recorded receivable from Management Company to comply with the TER.

9 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025	2024
		----- Rupees in '000 -----	
Remuneration payable	9.1	1,734	395
Sindh Sales Tax payable on remuneration of the Management Company	9.2	260	51
Selling and marketing expenses payable	9.3	-	160
Allocation of expenses related to registrar services, accounting, operation and valuation services payable	9.4	-	-
Sales load payable		<u>1,695</u>	<u>12</u>
		<u>3,689</u>	<u>618</u>

**9.1** 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 2.7% (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.

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.

**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 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.

**9.3** 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 (2024: upto 1.05% of the average daily net assets of the scheme for allocation of such expenses) to 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 expenses were charged to the Fund in this respect during the year.

**9.4** 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: upto 0.67% of the daily net assets of the scheme for allocation of such expenses) to 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 expenses were charged to the Fund in this respect during the year.

10	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	Note	2025	2024
			----- Rupees in '000 -----	
	Remuneration payable to the Trustee	10.1	129	35
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	19	4
			148	39

**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 remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs. 1000 million	0.2% on net assets upto Rs. 1000 million.
- Exceeding Rupees 1000 million	2 million plus 0.1% on net assets more than 1000 million.

**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	<b>PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>	Note	2025	2024
			----- Rupees in '000 -----	
	Fee payable	11.1	60	16

**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). Accordingly, the Fund has charged the SECP fee at the rate of 0.095% per annum of the daily net assets during the year. Further, the Fund is required to pay the SECP fee within fifteen days of the close of every calendar month.

12	<b>ACCRUED EXPENSES AND OTHER LIABILITIES</b>	Note	2025	2024
			----- Rupees in '000 -----	
	Provision for federal excise duty	12.1	37,838	37,838
	Withholding tax payable		649	649
	Auditors' remuneration payable		802	851
	Securities transaction costs payable		417	96
	Zakat payable		29	29
	Other payable		2,228	789
			41,963	40,252

**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 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. 37.838 million (2024: Rs. 37.838 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 8.56 (2024: Rs 20.25) per unit.

### 13 CONTINGENCIES AND COMMITMENTS

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

14	AUDITORS' REMUNERATION	2025	2024
		----- Rupees in '000 -----	
	Annual audit fee	560	467
	Half year review	373	311
	Certifications and other services	227	201
	Out of pocket expenses	140	116
	Sales Sindh Tax	114	88
		<u>1,414</u>	<u>1,183</u>

### 15 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 5.08% (2024: 5.11%) which includes 0.71% (2024: 0.62%) 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 Total Expense Ratio Caps (TER) 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 to 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.

		2025	2024
<b>17</b>	<b>NUMBER OF UNITS IN ISSUE</b>	----- Number of units -----	
	Units in issue as at the beginning of the year	1,868,652	2,300,195
	Add: issued during the year	14,341,285	4,234,337
	Less: redeemed during the year	(11,790,719)	(4,665,880)
	Total units in issue at the end of the year	<u>4,419,218</u>	<u>1,868,652</u>
<b>18</b>	<b>TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES</b>		
<b>18.1</b>	Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, the Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, 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.		
<b>18.2</b>	Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.		
<b>18.3</b>	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.		
<b>18.4</b>	Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.		
<b>18.5</b>	Details of the transactions during the year and balances at year end with connected persons / related parties are as follows:		
<b>18.6</b>	<b>Transactions during the year</b>	2025	2024
		----- Rupees in '000 -----	
	<b>HBL Asset Management Limited - Management Company</b>		
	Remuneration of the Management Company including Sales Tax thereon	<u>18,409</u>	<u>3,957</u>
	Selling and marketing expenses	<u>-</u>	<u>753</u>
	Allocation of expenses related to registrar services, accounting, operation and valuation services	<u>-</u>	<u>635</u>
	Reimbursement from HBL Asset Management Limited - Management Company	<u>1,232</u>	<u>1,852</u>
	<b>Habib Bank Limited - Sponsor *</b>		
	Bank charges	<u>54</u>	<u>8</u>
	Bank profit	<u>1,520</u>	<u>925</u>
	Dividend income	<u>186</u>	<u>1,058</u>
	Issuance of 1.292 units (2024: Nil units)	<u>237</u>	<u>-</u>
	<b>HBL Micro Finance Bank - Associate</b>		
	Bank profit	<u>647</u>	<u>3,655</u>

	2025	2024
	----- Rupees in '000 -----	
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration including Sales Tax thereon	1,364	352
Central Depository service charges	209	-
<b>Directors and executives of the Management Company</b>		
Issuance of 149,388 units (2024: 21,689 units)	22,749	2,714
Redemption of 169,090 units (2024: 603 units)	(26,165)	(62)
<b>DCCL - HBL Financial Planning Fund Conservative **</b>		
<b>Allocation Plan - Associate</b>		
Redemption of Nil (2024: 48,324) units	-	(4,390)
<b>Jaffer Brothers (Private) Limited and Associated Companies Staff **</b>		
<b>Provident Fund - Connected party due to 10% units</b>		
Redemption of nil (2024: 715,854) units	-	(53,613)
<b>Mr Rafiuddin Zakir Mahmood - Connected party due to 10% units *</b>		
Issuance of 551 (2024: nil) units	101	-
<b>18.7 Balances outstanding as at year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company including Sales Tax thereon	1,994	446
Sales load payable	1,695	12
Selling and marketing expenses payable	-	160
Receivable from HBL Asset Management Limited - Management Company	1,232	1,852
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	2,331	26,045
Profit receivable	111	80
Outstanding 1,292 (2024: Nil) units	254	6,202
<b>HBL Micro Finance Bank - Associate</b>		
Bank balances	686	6,549
Profit receivable	7	121
<b>Directors and executives of the Management Company</b>		
Outstanding 1,540 (2024: 21,242) units	262	2,560
<b>Mr Rafiuddin Zakir Mahmood - Connected party due to 10% units</b>		
Outstanding 587,357 (2024: 586,806) units	100,113	70,730
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable including Sales Tax thereon	148	39
Security deposit	100	100

\* Comparative value not presented as the counterparty was not related party at that period.

\*\* Counterparty is not a related party as at June 30, 2025.

**19 FINANCIAL INSTRUMENTS BY CATEGORY**

2025			
At amortised cost	At fair value through profit or loss	Total	
Rupees in '000			
<b>Financial assets</b>			
Bank balances	129,325	-	129,325
Investments	-	743,371	743,371
Dividend and profit receivable	1,273	-	1,273
Receivable from HBL Asset Management Limited - Management Company	1,232	-	1,232
Deposits	2,600	-	2,600
	<u>134,430</u>	<u>743,371</u>	<u>877,801</u>
<b>Financial liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	3,689	-	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee	148	-	148
Payable against redemption of units	79,210	-	79,210
Accrued expenses and other liabilities	3,447	-	3,447
	<u>86,494</u>	<u>-</u>	<u>86,494</u>

2024			
At amortised cost	At fair value through profit or loss	Total	
Rupees in '000			
<b>Financial assets</b>			
Bank balances	49,810	-	49,810
Investments	-	218,386	218,386
Dividend and profit receivable	1,747	-	1,747
Receivable from HBL Asset Management Limited - Management Company	1,852	-	1,852
Deposits	2,600	-	2,600
	<u>56,009</u>	<u>218,386</u>	<u>274,395</u>
<b>Financial liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	618	-	618
Payable to Central Depository Company of Pakistan Limited - Trustee	39	-	39
Payable against purchase of investments	7,107	-	7,107
Accrued expenses and other liabilities	1,736	-	1,736
	<u>9,500</u>	<u>-</u>	<u>9,500</u>

**20 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.

**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 Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

**(i) 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 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 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 loss for the year and net assets of the Fund would have been higher / lower by Rs. 1.29 million (2024: Rs. 0.50 million).

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund does not hold any fixed rate instrument that may expose the Fund to fixed 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 interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

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

Effective yield / interest rate	2025				Total	
	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					
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	9.5% - 12%	129,310	-	-	15	129,325
Investments		-	-	-	743,371	743,371
Dividend and profit receivable		-	-	-	1,273	1,273
Receivable from HBL Asset Management Limited - Management Company		-	-	-	1,232	1,232
Deposits		-	-	-	2,600	2,600
		129,310	-	-	748,491	877,801
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company		-	-	-	3,689	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	148	148
Payable against redemption of units		-	-	-	79,210	79,210
Accrued expenses and other liabilities		-	-	-	3,447	3,447
		-	-	-	86,494	86,494
<b>On-balance sheet gap (a)</b>		<b>129,310</b>	<b>-</b>	<b>-</b>	<b>661,997</b>	<b>791,307</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a+b)</b>		<b>129,310</b>	<b>-</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>129,310</b>	<b>129,310</b>	<b>129,310</b>		

-----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			
<b>On-balance sheet financial instruments</b>	----- Rupees in '000 -----					
	(%) -----					
<b>Financial assets</b>						
Bank balances	16% - 22%	39,794	-	-	10,016	49,810
Investments		-	-	-	218,386	218,386
Dividend and profit receivable		-	-	-	1,747	1,747
Receivable from HBL Asset Management Limited - Management Company		-	-	-	1,852	1,852
Deposits		-	-	-	2,600	2,600
		39,794	-	-	234,601	274,395
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company		-	-	-	618	618
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	39	39
Payable against purchase of investments		-	-	-	7,107	7,107
Accrued expenses and other liabilities		-	-	-	1,736	1,736
		-	-	-	9,500	9,500
<b>On-balance sheet gap (a)</b>		39,794	-	-	225,101	264,895
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		39,794	-	-		
<b>Cumulative interest rate sensitivity gap</b>		38,704	38,704	38,704		

### (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 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 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 also limit individual equity securities to not more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of 1% increase / decrease in KSE 100 index on June 30, 2025, with all other variables held constant, the total comprehensive profit / (loss) of the Fund for the year would increase / decrease by Rs 7.434 million (2024: Rs. 2.184 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 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 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 100 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 the KSE 100 Index.

## 20.2 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 these fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to redemptions of its redeemable units on a regular basis. 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 either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

As per 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 up to 90 days and would be secured by the assets of the Fund.

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 ended June 30, 2025.

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 1 month	More than one month and upto three months	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company	3,689	-	-	-	-	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee	148	-	-	-	-	148
Payable against redemption of units	79,210	-	-	-	-	79,210
Accrued expenses and other liabilities	2,645	802	-	-	-	3,447
	85,692	802	-	-	-	86,494
-----2024-----						
Within 1 month	More than one month and upto three months	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000 -----						
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company	618	-	-	-	-	618
Payable to Central Depository Company of Pakistan Limited - Trustee	39	-	-	-	-	39
Payable against purchase of investments	7107	-	-	-	-	7,107
Accrued expenses and other liabilities	885	851	-	-	-	1,736
	8,649	851	-	-	-	9,500



### 20.3 Credit risk

**20.3.1** 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	
	Financial assets	Maximum exposure to credit risk	Financial assets	Maximum exposure to credit risk
----- Rupees in '000 -----				
Bank balances	129,325	129,325	49,810	49,810
Investments	743,371	-	218,386	-
Dividend and profit receivable	1,273	1,273	1,747	1,747
Receivable from HBL Asset Management Limited - Management Company	1,232	1,232	1,852	1,852
Deposits	2,600	2,600	2,600	2,600
	<u>877,801</u>	<u>134,430</u>	<u>274,395</u>	<u>56,009</u>

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.

### 20.3.2 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, dividend receivable and receivable against sale of units. The credit rating profile of balances with banks is as follows:

Rating category	2025	2024
	-----%-----	
AAA	0.35%	9.59%
AA+ *	-	-
AA-	16.68%	5.90%
AA	0.04%	0.22%
A+	0.09%	2.39%
A *	-	-
A-	0.01%	0.02%
	<u>17.17%</u>	<u>18.12%</u>

\* Nil due to rounding off

### 20.3.3 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.

All financial assets of the Fund as at June 30, 2025 are unsecured and are not impaired except for term finance certificates of Dewan Cement Limited as disclosed in note 7.2 to these financial statements.

## 21 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:

	Note	2025			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at 'fair value through profit or loss'</b>					
Rupees in '000					
Quoted equity securities	5.1	743,371	-	-	743,371
<b>Financial assets at 'fair value through profit or loss'</b>					
2024					
Rupees in '000					
Quoted equity securities	5.1	218,386	-	-	218,386

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.

## 22 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 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 20, 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.

### 23 UNIT HOLDING PATTERN OF THE FUND

Category	2025			2024		
	Number of unit holders	Investment amount Rupees in '000	Percentage of investments	Number of unit holders	Investment amount Rupees in '000	Percentage of investments
Associated companies	1	221	0.03%	-	-	-
Retirement funds	3	68	0.01%	2	11,207	4.98%
Other corporate	7	42,872	5.69%	1	5,870	2.61%
Trust	2	14,687	1.95%	-	-	-
Individuals	765	695,394	92.32%	307	188,075	83.50%
Insurance company	-	-	-	1	20,086	8.92%
	<b>778</b>	<b>753,242</b>	<b>100%</b>	<b>311</b>	<b>225,238</b>	<b>100%</b>

### 24 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

2025	2024
Name of broker	Name of broker
Arif Habib Limited	Intermarket Securities Limited
Intermarket Securities Limited	Taurus Securities Limited
JS Global Capital Ltd	DJM Securities Limited
Ktrade Securities Limited	Spectrum Securities (Private) Limited
Optimus Capital Management (Pvt.) Ltd	Topline Securities (Private) Limited
BMA Capital Management Limited	Next Capital Limited
Next Capital Limited	Optimus Capital Management (Private) Limited
DJM Securities Limited	Arif Habib Limited
Integrated Equities Limited	Rafi Securities (Private) Limited
AKD Securities Limited	Ismail Iqbal Securities (Private) Limited

### 25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

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
Amin Mohammad	Head of Risk	MBA	32 + years
Wasim Akram	Senior Fund Manager	MBA	21 + years

**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 17, 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 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.

**27 GENERAL**

Figures have been rounded off to the nearest thousand Rupees.

**28 DATE OF AUTHORISATION FOR ISSUE**

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**



**HBL** Cash Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL Cash Fund</b>
<b>NAME OF AUDITORS</b>	<b>Yousuf Adil, Chartered Accountants</b>
<b>NAME OF BANKERS</b>	<b>Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited Samba Bank Limited Zarai Taraqiati Bank Limited Soneri Bank Limited Sindh Bank Limited Dubai Islamic Bank of Pakistan National Bank of Pakistan United Bank Limited</b>
<b>FUND RATING</b>	<b>AA+(f) (VIS)</b>

**Type and Category of Fund**

**Open end Money Market Fund**

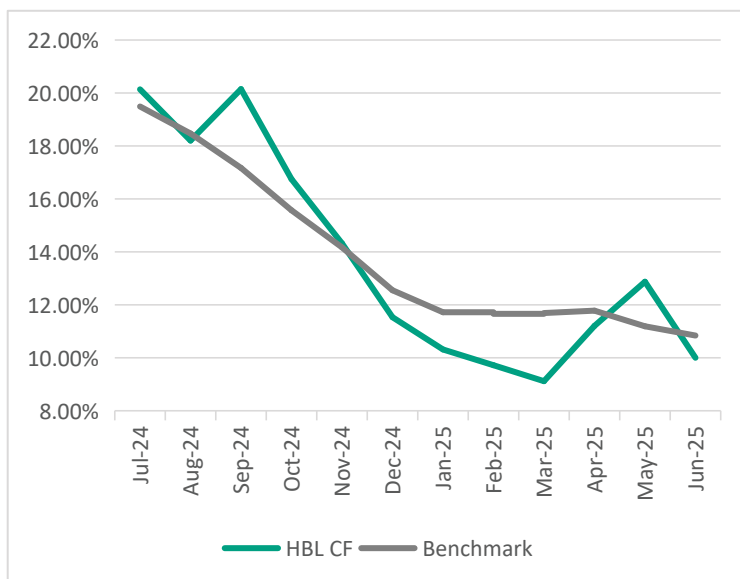
**Investment Objective and Accomplishment of Objective**

The investment 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. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools. The investment objective is achieved.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is 90% three (3) months PKRV rates + 10% three (3) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP. The comparison of the fund return with benchmark is given below:

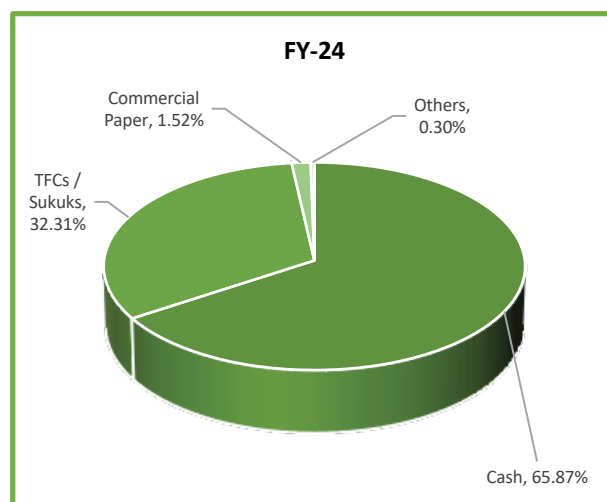
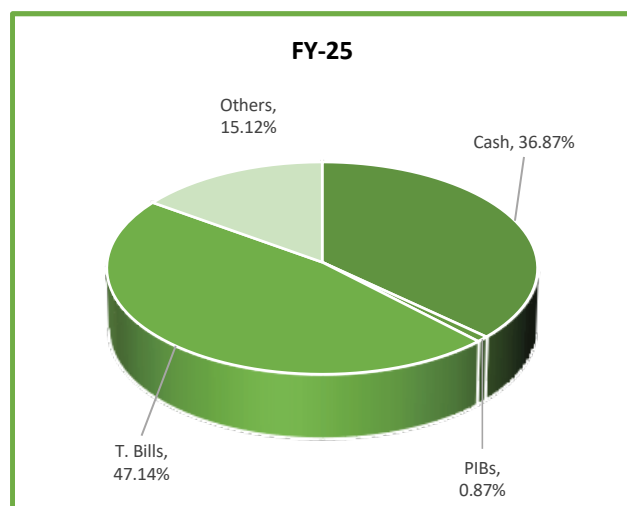
Month	HBL-CF	Benchmark
Jun-25	10.00%	10.84%
May-25	12.87%	11.19%
Apr-25	11.20%	11.78%
Mar-25	9.12%	11.69%
Feb-25	9.72%	11.66%
Jan-25	10.31%	11.72%
Dec-24	11.53%	12.55%
Nov-24	14.32%	14.17%
Oct-24	16.75%	15.57%
Sep-24	20.15%	17.17%
Aug-24	18.20%	18.47%
Jul-24	20.14%	19.49%



**Strategies and Policies employed during the Year**

During the year, the fund was majorly invested in T-bills comprising of 47.14% of total assets. Remaining investments were in short duration PIBs at 0.87% of total assets and with banks in the form of Daily Product Accounts (DPAs) which comprised 36.87% of total assets. HBL Cash Fund posted an annualized return (YTD) of 14.61% against the benchmark return of 13.90% in FY25. In-line with its investment policy, the Fund held investments in short maturity T-Bills and placements with Banks in DPAs at attractive rates. The fund will continue to take advantage of high bank rates and enhance its allocation in short term instruments.

**Asset Allocation**



## Significant Changes in Asset Allocation during the Year

During the year the fund's asset allocation increased in T-bills and the remaining placed with banks in DPAs at attractive rates in June 2025. At the end of the year, 36.87%, 47.14% and 0.87% of the total assets were deployed in Cash, T-bills and short duration PIBs, respectively.

## Fund Performance

The total income and net income of the Fund was Rs. 11.97 billion and Rs. 10.85 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs 103.3525 per unit as on June 30, 2025 (after incorporating dividend of Rs. 14.85 per unit) as compared to Rs 103.1573 per unit as on June 30, 2024, thereby giving an annualized return of 14.61%. During the period the benchmark (70% 3M PKRV & 30% 3M deposit rates) return was 13.90%. The size of Fund was Rs 120.57 billion as on June 30, 2025 as compared to Rs. 56.42 billion at the start of the year.

## 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.

## Distribution

The Fund has distributed cash dividend up-to Rs. 14.85 per unit for the year ended June 30, 2025.

## Significant Changes in the State of Affairs

There were no significant changes in 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	2,055	22,860
101 – 500	307	73,494
501 – 1,000	116	89,955
1,001 – 10,000	508	2,540,700
10,001 – 100,000	1,039	44,535,627
500,001 – 1,000,000	169	118,838,985
100,001 – 500,000	638	159,814,705
1,000,001 – 5,000,000	150	313,154,322
5,000,001 and more	31	527,490,503
Total	5,013	1,166,561,151

### 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 CASH FUND

As at June 30, 2025

	2025	2024	2023	2022	2021	2020
Net assets at the period end (Rs'000)	120,567,025	56,423,575	50,338,816	36,066,308	26,539,411	17,975,752
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>						
Redemption	103.3525	103.1573	101.9926	101.3611	101.2227	101.1599
Offer - Class C	103.3525	103.1573	101.9926	101.3611	101.2227	101.1599
Offer - Class D	104.5411	104.3436	103.1451	102.5065	102.3665	102.3030
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>						
Highest offer price per unit - Class C	119.3043	104.6730	103.1674	102.1124	102.5866	102.0921
Lowest offer price per unit - Class C	104.3414	101.9926	101.3611	101.2227	101.1599	100.8886
Highest offer price per unit - Class D	120.4871	105.8558	104.3332	103.3769	102.5866	103.2457
Lowest offer price per unit - Class D	105.4939	103.1451	102.5065	101.3227	101.1599	101.0330
Highest redemption price per unit	119.3043	104.6730	103.1674	102.1124	101.1599	102.0921
Lowest redemption price per unit	104.3414	101.9926	101.3611	101.2227	101.8332	100.8886
<b>RETURN ( % )</b>						
Total return	14.61%	22.20%	17.56%	10.97%	6.97%	12.86%
Income distribution	14.40%	19.16%	15.67%	10.44%	6.78%	12.00%
Capital growth	0.21%	3.04%	1.89%	0.53%	0.19%	0.86%
<b>DISTRIBUTION</b>						
Date of Income Distribution						
Income Distribution (Rs. Per unit)						
Date of Income Distribution	23-Jun-25	7-Aug-23	10-Aug-22	6-Aug-21	6-Aug-20	01-Aug-19
Income Distribution (Rs. Per unit)	14.8500	2.1545	1.6445	0.7771	0.7298	1.1585
Date of Income Distribution		18-Sep-23	05-Sep-22	03-Sep-21	03-Sep-20	02-Sep-19
Income Distribution (Rs. Per unit)		2.4155	1.0143	0.9822	0.4954	1.0317
Date of Income Distribution		16-Oct-23	10-Oct-22	08-Oct-21	01-Oct-20	01-Oct-19
Income Distribution (Rs. Per unit)		1.6879	1.4745	0.7675	0.5295	1.0471
Date of Income Distribution		13-Nov-23	07-Nov-22	05-Nov-21	05-Nov-20	03-Nov-19
Income Distribution (Re. Per unit)		1.6078	1.1493	0.5907	0.6651	1.1689
Date of Income Distribution		11-Dec-23	05-Dec-22	03-Dec-21	03-Dec-20	02-Dec-19
Income Distribution (Rs. Per unit)		1.4925	1.0082	0.5954	0.5039	0.9464
Date of Income Distribution		15-Jan-24	09-Jan-23	07-Jan-22	01-Jan-21	01-Jan-20
Income Distribution (Re. Per unit)		2.1124	1.4979	1.1016	0.5420	1.0760
Date of Income Distribution		19-Feb-24	13-Feb-23	04-Feb-22	03-Feb-21	03-Feb-20
Income Distribution (Re. Per unit)		1.8189	1.5145	0.8326	0.6441	1.1608
Date of Income Distribution		11-Mar-24	06-Mar-23	04-Mar-22	04-Mar-21	02-Mar-20
Income Distribution (Re. Per unit)		1.1476	0.8585	0.7582	0.5084	0.9473
Date of Income Distribution		22-Apr-24	10-Apr-23	08-Apr-22	01-Apr-21	02-Apr-20
Income Distribution (Re. Per unit)		2.2556	1.8339	1.0850	0.5453	1.2980
Date of Income Distribution		10-Jun-24	15-May-23	05-May-22	05-May-21	07-May-20
Income Distribution (Re. Per unit)		2.8476	1.9820	1.0988	0.6281	1.2349
Date of Income Distribution			19-Jun-23	03-Jun-22	03-Jun-21	04-Jun-20
Income Distribution (Rs. Per unit)			1.9102	0.8574	0.5590	0.6173
Date of Income Distribution			-	27-Jun-22	24-Jun-21	18-Jun-20
Income Distribution (Re. Per unit)			-	0.9967	0.4248	0.3172
Total dividend distribution for the year/ period (Rs)	14.8500	19.5403	15.8878	10.4432	6.7754	12.0041
<b>AVERAGE RETURNS ( % )</b>						
Average annual return 1 year	14.61%	22.20%	17.56%	10.97%	6.97%	12.86%
Average annual return 2 year	18.34%	19.86%	14.22%	8.95%	9.88%	10.86%
Average annual return 3 year	18.08%	16.82%	11.75%	10.24%	9.54%	9.04%
<b>PORTFOLIO COMPOSITION - ( % )</b>						
Percentage of Net Assets as at 30 June:						
Bank Balances	51.91%	65.87%	23.72%	90.82%	99.41%	55.88%
T-Bills	47.19%	32.31%	46.83%	1.32%	0.00%	40.01%
Placement with Banks and DFIs	0.00%	0.00%	7.71%	0.00%	0.00%	0.00%
Commercial Paper	0.00%	0.00%	0.00%	2.86%	0.00%	3.88%
Corporate Sukuks / TFCs/PIB Floater	0.88%	1.52%	20.74%	3.59%	0.00%	0.00%
MTS / Spread Transactions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Others Including receivables	0.02%	0.30%	1.00%	1.41%	0.59%	0.23%
Weighted average portfolio duration (No. of days)	39	40	40	8	1	60

**Note:**

The Launch date of the Fund is December 13, 2010

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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URL: www.cdcPakistan.com  
Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL CASH FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Company 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 Unit Holders of HBL Cash Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **HBL Cash 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	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6.1 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 58,520.497 million as at June 30, 2025, consisting of government securities which represent a significant item on the statement of assets and liabilities of the Fund.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> <li>tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li> <li>matched the number of listed GOP Ijara sukuks held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;</li> </ul>



S. No.	Key audit matter	How the matter was addressed in our audit
	We have identified the existence and valuation as the significant areas during our audit of investment.	<ul style="list-style-type: none"> <li>matched government 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;</li> </ul>

#### 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.

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: AR202510057Do5dTNgZ7

**HBL Cash Fund**  
**Statement of Assets and Liabilities**  
*As at June 30, 2025*

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	5	63,200,140	37,335,660
Investments	6	58,520,497	19,180,715
Profit receivable	7	28,777	160,787
Advances, deposits, prepayments and other receivables	8	1,319	1,254
<b>TOTAL ASSETS</b>		<b>121,750,733</b>	<b>56,678,416</b>
<b>LIABILITIES</b>			
Payable to the Management Company	9	59,995	67,923
Payable to the Trustee	10	4,287	2,524
Payable to Securities and Exchange Commission of Pakistan	11	5,082	3,038
Accrued expenses and other liabilities	12	1,114,344	181,356
<b>TOTAL LIABILITIES</b>		<b>1,183,708</b>	<b>254,841</b>
<b>NET ASSETS</b>		<b>120,567,025</b>	<b>56,423,575</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>120,567,025</b>	<b>56,423,575</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	13	----- (Number of Units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	14	<b>1,166,561,151</b>	<b>546,966,486</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	4.8	<b>103.3525</b>	<b>103.1573</b>

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 Cash Fund**  
**Income Statement**  
For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	(Rupees in '000)	
<b>Income</b>		
Income from government securities	10,962,918	8,306,174
Income from letter of placements	284,249	821,214
Profit on bank deposits	647,227	1,702,989
Capital gain on sale of investments - net	37,780	9,053
Unrealised gain on re-measurement of investments at 'fair value through profit or loss'	6.3      36,546	29,526
	<b>11,968,720</b>	<b>10,868,956</b>
<b>Expenses</b>		
Remuneration of the Management Company	9.1      867,417	457,002
Sindh Sales Tax on remuneration of the Management Company	9.2      130,112	59,410
Allocated expenses	9.3      -	95,877
Selling and marketing expenses	9.4      -	80,021
Remuneration of the Trustee	10.1      45,074	27,642
Sindh Sales Tax on remuneration of the Trustee	10.2      6,761	3,593
Securities and Exchange Commission of Pakistan fee	11.1      61,463	37,600
Auditors' remuneration	15      781	713
Fees and subscription	472	516
Securities transaction costs and settlement charges	1,587	1,053
Bank charges	1,324	1,238
Printing charges	130	139
	<b>1,115,121</b>	<b>764,804</b>
<b>Net Income for the year from operating activities</b>	<b>10,853,599</b>	<b>10,104,152</b>
Taxation	16      -	-
<b>Net income after taxation</b>	<b>10,853,599</b>	<b>10,104,152</b>
<b>Allocation of net income for the year</b>		
Net income for the year after taxation	10,853,599	10,104,152
Income already paid on redemption of units	(8,529,186)	(1,437,427)
	<b>2,324,413</b>	<b>8,666,725</b>
<b>Accounting income available for distribution:</b>		
Relating to capital gains	15,918	-
Excluding capital gains	2,308,495	8,666,725
	<b>2,324,413</b>	<b>8,666,725</b>
<b>Earnings per unit</b>	4.11	

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 Cash Fund**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Net income for the year after taxation</b>	<b>10,853,599</b>	10,104,152
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>10,853,599</b>	10,104,152

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 Cash Fund**  
**Statement of Movement in Unit Holders' Fund**  
For the year ended June 30, 2025

	June 30, 2025			June 30, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Note	----- (Rupees in '000) -----					
Net assets at beginning of the year	55,442,802	980,773	56,423,575	49,912,401	426,415	50,338,816
Issuance of units 2,707,635,656 (2024: 1,443,719,338 units)						
Capital value (at net asset value per unit at the beginning of the year)	279,312,384	-	279,312,384	147,248,689	-	147,248,689
Element of income	13,071,117	-	13,071,117	1,032,480	-	1,032,480
Total proceeds on issuance of units	292,383,501	-	292,383,501	148,281,169	-	148,281,169
Redemption of units 2,088,040,991 (2024: 1,390,306,367 units)						
Capital value (at net asset value per unit at the beginning of the year)	(215,396,671)	-	(215,396,671)	(141,800,961)	-	(141,800,961)
Income already paid on redemption of units	-	(8,529,186)	(8,529,186)	-	(1,437,427)	(1,437,427)
Element of loss	(10,899,601)	-	(10,899,601)	(145,913)	-	(145,913)
Total payments on redemption of units	(226,296,272)	(8,529,186)	(234,825,458)	(141,946,874)	(1,437,427)	(143,384,301)
Total comprehensive income for the year	-	10,853,599	10,853,599	-	10,104,152	10,104,152
Distributions during the year	-	(2,067,342)	(2,067,342)	-	(8,112,367)	(8,112,367)
Refund of capital	(2,200,850)	-	(2,200,850)	(803,894)	-	(803,894)
	(2,200,850)	8,786,257	6,585,407	(803,894)	1,991,785	1,187,891
Net assets at end of the year	119,329,181	1,237,844	120,567,025	55,442,802	980,773	56,423,575
Undistributed income brought forward						
Realised		951,247			424,448	
Unrealised		29,526			1,967	
		980,773			426,415	
Accounting income available for distribution						
Relating to capital gain		15,918			-	
Excluding capital gain		2,308,495			8,666,725	
		2,324,413			8,666,725	
Distributions during the year		(2,067,342)			(8,112,367)	
Undistributed income carried forward		1,237,844			980,773	
Undistributed income carried forward						
Realised		1,201,298			951,247	
Unrealised		36,546			29,526	
		1,237,844			980,773	
		Rupees			Rupees	
Net assets value per unit at beginning of the year	103.1573			101.9926		
Net assets value per unit at end of the year	103.3525			103.1573		

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 Cash Fund**  
**Cash Flow Statement**  
For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	10,853,599	10,104,152
<b>Adjustments for non cash and other items:</b>		
Capital gain on sale of investments - net	(37,780)	(9,053)
Income from government securities	(10,962,918)	(8,306,174)
Income from letter of placements	(284,249)	(821,214)
Profit on bank deposits	(647,227)	(1,702,989)
Unrealised gain on re-measurement of investments at 'fair value through profit or loss'	6.3 (36,546)	(29,526)
	(1,115,121)	(764,804)
<b>Increase in assets</b>		
Investments - net	(33,203,059)	(1,452,080)
Advances, deposits, prepayments and other receivables	(65)	(1)
	(33,203,124)	(1,452,081)
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	(7,928)	(4,252)
Payable to the Trustee	1,763	(31)
Payable to Securities and Exchange Commission of Pakistan	2,044	(5,012)
Accrued expenses and other liabilities	932,988	36,934
	928,867	27,639
<b>Net cash used in operation</b>	(33,389,378)	(2,189,246)
Income received from government securities	10,945,885	8,535,527
Income from letter of placements	284,249	830,894
Profit received on bank deposits	796,270	1,710,018
	12,026,404	11,076,439
<b>Net cash flows (used in) / generated from operating activities</b>	(21,362,974)	8,887,193
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from issue of units	290,182,651	147,477,275
Payments against redemption of units	(234,825,458)	(143,384,301)
Dividend paid	(2,067,342)	(8,112,367)
<b>Net cash generated from / (used in) financing activities</b>	53,289,851	(4,019,393)
<b>Net increase in cash and cash equivalents during the year</b>	31,926,877	4,867,800
Cash and cash equivalents at the beginning of the year	40,636,052	35,768,252
<b>Cash and cash equivalents at the end of the year</b>	18 72,562,929	40,636,052

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** HBL Cash Fund (the Fund) was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management 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/NBFC-II/DD/PCF/844/2010 dated November 11, 2010 and the Trust Deed was executed on October 22, 2010.
- 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. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had 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 (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) 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.
- 1.5** The Fund is an open-ended money market scheme and is listed on Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.
- 1.6** The Fund has been categorised as a money market scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).
- 1.7** 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.
- 1.8** VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company and a stability rating of AA+(f) to the Fund as dated December 31, 2024 and March 03, 2025, respectively.
- 1.9** 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, along with Part VIII A 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 VIII A 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 VIII A 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 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:

- (a) Classification and measurement of financial assets (notes 4.1.1.1 and 6)
- (b) Impairment of financial assets (note 4.1.1.3)
- (c) Provisions (note 4.3)
- (d) Classification and measurement of financial liabilities (note 4.1.2.1)
- (e) Contingencies and Commitments (Note 13)
- (f) Taxation (notes 4.4 and 16)

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.

## **2.3 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 Basis of measurement**

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

## **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
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

### 3.2 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.

	<b>Effective from accounting period beginning on or after</b>
- 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
- 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 POLICY INFORMATION

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

#### **4.1 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.

##### **4.1.1 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.

##### **4.1.1.1 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 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.

#### **4.1.1.2 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 (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.

#### **4.1.1.3 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.



#### **4.1.1.4 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.

#### **4.1.2 Financial liabilities**

##### **4.1.2.1 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.

##### **4.1.2.2 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.

##### **4.1.3 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.

#### **4.2 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.

#### **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 the obligation can be made. Provisions, if any, 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 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.

#### **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 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.

#### **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. 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.

#### **4.8 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.

#### 4.9 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 government securities is recognised on a time proportionate basis using effective interest rate method.
- Profit on bank balances and letter of placement is recognised on a time proportionate basis using effective interest yield.

#### 4.10 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.

#### 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.

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>5. BANK BALANCES</b>			
In current account		5	5
In savings account	5.1	<u>63,200,135</u>	<u>37,335,655</u>
		<u>63,200,140</u>	<u>37,335,660</u>

**5.1** These bank accounts carry mark-up at rates ranging between 9% to 13.5% per annum (2024: 20.75% to 21.5%). This includes a balance held by Habib Bank Limited, a related party, amounting to Rs. 62,140 million (2024: Rs. 37,311 million) which carry mark-up at rates 11.5% per annum (2023: 21.15%) per annum.

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>6. INVESTMENTS</b>			
<b>Financial assets at fair value through profit or loss</b>			
Government Securities	6.1	<u>58,520,497</u>	<u>19,180,715</u>
Letter of Placement	6.2	<u>-</u>	<u>-</u>
		<u>58,520,497</u>	<u>19,180,715</u>
<b>6.1 Government Securities:</b>			
Market Treasury Bills	6.1.1	<u>57,455,057</u>	<u>18,311,201</u>
Pakistan Investment Bonds - Fixed	6.1.2	<u>1,065,440</u>	<u>-</u>
Government of Pakistan (GOP) - Ijara Sukuk-listed	6.1.3	<u>-</u>	<u>869,514</u>
		<u>58,520,497</u>	<u>19,180,715</u>

**HBL Cash Fund**  
**Notes to the financial statements**  
For the year ended June 30, 2025

6.1.1 Market Treasury Bills

Tenure	Issue Date	Face 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
		As at July 01, 2024	Purchases made during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value			
(Rupees in '000)										
Treasury bills - 1 month	April 03, 2025	-	4,250,000	4,250,000	-	-	-	-	-	-
Treasury bills - 1 month	April 17, 2025	-	4,000,000	4,000,000	-	-	-	-	-	-
Treasury bills - 1 month	May 15, 2025	-	780,000	780,000	-	-	-	-	-	-
Treasury bills - 1 month	May 29, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 1 month	June 12, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 1 month*	June 26, 2025	-	500,000	-	500,000	496,563	496,490	(73)	0.41	0.85
Treasury bills - 3 months	May 02, 2024	2,462,000	900,000	3,362,000	-	-	-	-	-	-
Treasury bills - 3 months	May 16, 2024	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	May 30, 2024	400,000	1,114,250	1,514,250	-	-	-	-	-	-
Treasury bills - 3 months	June 13, 2024	500,000	5,170,000	5,670,000	-	-	-	-	-	-
Treasury bills - 3 months	July 11, 2024	-	1,200,000	1,200,000	-	-	-	-	-	-
Treasury bills - 3 months	July 25, 2024	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 3 months	August 08, 2024	-	350,000	350,000	-	-	-	-	-	-
Treasury bills - 3 months	August 22, 2024	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 3 months	October 17, 2024	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 3 months	October 31, 2024	-	9,500,000	9,500,000	-	-	-	-	-	-
Treasury bills - 3 months	November 28, 2024	-	3,500,000	3,500,000	-	-	-	-	-	-
Treasury bills - 3 months	December 12, 2024	-	6,000,000	6,000,000	-	-	-	-	-	-
Treasury bills - 3 months	December 26, 2024	-	20,400,000	20,400,000	-	-	-	-	-	-
Treasury bills - 3 months	January 09, 2025	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 3 months	January 23, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	February 06, 2025	-	5,947,000	5,947,000	-	-	-	-	-	-
Treasury bills - 3 months	March 06, 2025	-	3,250,000	3,250,000	-	-	-	-	-	-
Treasury bills - 3 months	March 20, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months*	May 02, 2025	-	3,479,000	500,000	2,979,000	2,958,340	2,958,087	(253)	2.45	5.05
Treasury bills - 3 months	May 15, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months*	May 29, 2025	-	6,000,000	-	6,000,000	5,908,596	5,908,212	(384)	4.90	10.10
Treasury bills - 3 months	June 12, 2025	-	6,481,000	6,481,000	-	-	-	-	-	-
Treasury bills - 3 months	June 26, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	April 18, 2024	1,289,500	-	1,289,500	-	-	-	-	-	-
Treasury bills - 6 months	April 04, 2024	-	1,300,000	1,300,000	-	-	-	-	-	-
Treasury bills - 6 months	May 30, 2024	500,000	150,000	650,000	-	-	-	-	-	-
Treasury bills - 6 months	June 13, 2024	500,000	8,350,000	8,850,000	-	-	-	-	-	-
Treasury bills - 6 months	July 11, 2024	-	9,700,000	9,700,000	-	-	-	-	-	-
Treasury bills - 6 months	July 25, 2024	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	August 22, 2024	-	750,000	750,000	-	-	-	-	-	-
Treasury bills - 6 months	September 05, 2024	-	13,000,000	13,000,000	-	-	-	-	-	-
Treasury bills - 6 months	October 03, 2024	-	6,235,000	6,235,000	-	-	-	-	-	-
Treasury bills - 6 months	October 17, 2024	-	6,500,000	6,500,000	-	-	-	-	-	-
Treasury bills - 6 months	October 31, 2024	-	4,300,000	4,300,000	-	-	-	-	-	-
Treasury bills - 6 months	November 14, 2024	-	13,371,500	13,371,500	-	-	-	-	-	-
Treasury bills - 6 months	November 28, 2024	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months	December 12, 2024	-	14,525,000	14,525,000	-	-	-	-	-	-
Treasury bills - 6 months	December 26, 2024	-	6,500,000	6,500,000	-	-	-	-	-	-
Treasury bills - 6 months*	January 09, 2025	-	13,500,000	3,500,000	10,000,000	9,972,871	9,972,550	(321)	8.27	17.04
Treasury bills - 6 months	January 23, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 6 months*	March 06, 2025	-	15,251,500	14,251,500	1,000,000	980,622	980,670	48	0.81	1.68
Treasury bills - 6 months*	March 20, 2025	-	500,000	-	500,000	488,065	488,336	271	0.41	0.83
Treasury bills - 6 months*	April 03, 2025	-	1,695,000	-	1,695,000	1,647,237	1,648,764	1,527	1.37	2.82
Treasury bills - 6 months*	April 17, 2025	-	7,035,000	5,000	7,030,000	6,800,687	6,810,636	9,949	5.65	11.64
Treasury bills - 6 months*	May 02, 2025	-	8,490,000	-	8,490,000	8,176,045	8,192,120	16,075	6.79	14.00
Treasury bills - 6 months*	May 15, 2025	-	2,737,000	-	2,737,000	2,630,192	2,630,465	273	2.18	4.49
Treasury bills - 6 months*	May 29, 2025	-	500,000	-	500,000	478,508	478,642	134	0.40	0.82
Treasury bills - 6 months*	June 12, 2025	-	5,000,000	-	5,000,000	4,767,975	4,767,655	(320)	3.95	8.15
Treasury bills - 6 months	June 26, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 12 months	September 07, 2023	-	3,000,000	3,000,000	-	-	-	-	-	-
Treasury bills - 12 months	October 05, 2023	160,000	112,700	272,700	-	-	-	-	-	-
Treasury bills - 12 months	October 19, 2023	8,805,000	43,686,000	52,491,000	-	-	-	-	-	-
Treasury bills - 12 months	November 02, 2023	4,600,000	21,947,000	26,547,000	-	-	-	-	-	-
Treasury bills - 12 months	November 16, 2023	110,000	1,400,000	1,510,000	-	-	-	-	-	-
Treasury bills - 12 months	November 30, 2023	-	7,800,000	7,800,000	-	-	-	-	-	-
Treasury bills - 12 months	December 14, 2023	-	27,642,000	27,642,000	-	-	-	-	-	-
Treasury bills - 12 months	December 28, 2023	-	19,919,885	19,919,885	-	-	-	-	-	-
Treasury bills - 12 months	January 11, 2024	-	800,000	800,000	-	-	-	-	-	-
Treasury bills - 12 months	March 07, 2024	-	688,090	688,090	-	-	-	-	-	-
Treasury bills - 12 months	April 04, 2024	-	1,300,000	1,300,000	-	-	-	-	-	-
Treasury bills - 12 months	April 18, 2024	-	1,065,000	1,065,000	-	-	-	-	-	-
Treasury bills - 12 months	May 02, 2024	-	1,050,000	1,050,000	-	-	-	-	-	-
Treasury bills - 12 months	May 16, 2024	-	3,691,200	3,691,200	-	-	-	-	-	-
Treasury bills - 12 months	May 30, 2024	-	10,245,950	10,245,950	-	-	-	-	-	-
Treasury bills - 12 months	June 13, 2024	-	3,195,000	3,195,000	-	-	-	-	-	-
Treasury bills - 12 months	July 11, 2024	-	2,000,000	2,000,000	-	-	-	-	-	-
Treasury bills - 12 months*	July 25, 2024	-	5,600,000	3,100,000	2,500,000	2,482,662	2,482,450	(212)	2.06	4.24
Treasury bills - 12 months	August 08, 2024	-	1,850,000	1,850,000	-	-	-	-	-	-
Treasury bills - 12 months*	August 22, 2024	-	8,266,730	2,200,000	6,066,730	5,971,946	5,973,921	1,975	4.95	10.21
Treasury bills - 12 months	September 05, 2024	-	7,085,145	7,085,145	-	-	-	-	-	-
Treasury bills - 12 months*	October 03, 2024	-	2,950,000	2,000,000	950,000	923,896	924,086	190	0.77	1.58
Treasury bills - 12 months*	October 31, 2024	-	4,395,235	2,000,000	2,395,235	2,305,783	2,311,196	5,413	1.92	3.95
Treasury bills - 12 months*	November 28, 2024	-	450,000	-	450,000	430,794	430,777	(17)	0.36	0.74
Treasury bills - 12 months	March 06, 2025	-	700,000	700,000	-	-	-	-	-	-
<b>As at June 30, 2025</b>						<b>57,420,782</b>	<b>57,455,057</b>	<b>34,275</b>		
As at June 30, 2024						18,287,319	18,311,201	23,882		

\* These carrying effective yield ranging from 10.95% to 12% (2024: 19.93% to 21.66%) per annum.

6.1.2 Pakistan investment bonds - Fixed

Issue date	Issue Date	Face value				As at 30 June, 2025		Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2024	Purchases during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value			
-----Rupees in '000-----										
Pakistan Investment Bonds - 5 years*	October 15, 2020	-	1,076,600	-	1,076,600	1,063,169	1,065,440	2,271	0.88	1.82
						<b>1,063,169</b>	<b>1,065,440</b>	<b>2,271</b>		
As at June 30, 2025						-	-	-		
As at June 30, 2024						-	-	-		

\* This carry effective yield of 10.99% (2024: Nil) per annum.

6.1.3 Government of Pakistan (GOP) - Ijara Sukuk-listed

Tenure	Issue date	Face 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
		As at July 01, 2024	Purchases made during the year	Sold / matured during the year	As at June 30, 2025	Carrying value	Market value			
-----Rupees in '000-----										
<b>Listed GOP Ijara Sukuk</b>										
GOP Ijara Sukuk - 1 year (Fixed)	April 26, 2024	1,000,000	-	1,000,000	-	-	-	-	-	-
As at June 30, 2025						-	-	-		
As at June 30, 2024						863,870	869,514	-		

The GOP Ijara Sukuk carry effective yield of Nil (2024: 19.99%) per annum.

6.2 Letter of placements

Name of Investee Company	Issue date	Maturity Date	Profit Rate	Face value				As at June 30,		Market value as a percentage of net assets	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		
-----Rupees in '000-----											
----(%)----											
Pak Brunei Investment Company Limited	July 11, 2024	July 19, 2024	20.25	-	3,500,000	3,500,000	-	-	-	-	
Saudi Pak Industrial And Agricultural Investment Company Limited	July 11, 2024	July 19, 2024	20.20	-	1,000,000	1,000,000	-	-	-	-	
Pak Oman Investment Company Limited	July 11, 2024	July 19, 2024	20.20	-	4,000,000	4,000,000	-	-	-	-	
Pak Oman Investment Company Limited	July 12, 2024	August 02, 2024	20.35	-	1,000,000	1,000,000	-	-	-	-	
Pak Kuwait Investment Company (Private) Limited	July 15, 2024	July 18, 2024	20.35	-	700,000	700,000	-	-	-	-	
Pak Kuwait Investment Company (Private) Limited	July 15, 2024	July 18, 2024	20.35	-	300,000	300,000	-	-	-	-	
Pak Brunei Investment Company Limited	July 18, 2024	July 19, 2024	20.35	-	500,000	500,000	-	-	-	-	
Pak Brunei Investment Company Limited	July 18, 2024	July 19, 2024	20.35	-	800,000	800,000	-	-	-	-	
Pak Brunei Investment Company Limited	July 25, 2024	July 26, 2024	20.90	-	3,500,000	3,500,000	-	-	-	-	
Pak Brunei Investment Company Limited	August 26, 2024	August 27, 2024	19.10	-	5,100,000	5,100,000	-	-	-	-	
Pak Brunei Investment Company Limited	September 27, 2024	October 11, 2024	17.45	-	3,500,000	3,500,000	-	-	-	-	
Pak Brunei Investment Company Limited	September 27, 2024	November 08, 2024	17.35	-	4,000,000	4,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	September 27, 2024	October 11, 2024	17.45	-	2,000,000	2,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	December 05, 2024	December 06, 2024	15.00	-	1,000,000	1,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	December 12, 2024	December 17, 2024	15.00	-	4,000,000	4,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	December 12, 2024	December 17, 2024	15.00	-	4,000,000	4,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	December 13, 2024	December 16, 2024	14.50	-	800,000	800,000	-	-	-	-	
Pak Oman Investment Company Limited	December 16, 2024	December 17, 2024	15.30	-	1,000,000	1,000,000	-	-	-	-	
Pak Oman Investment Company Limited	December 26, 2024	January 02, 2025	12.60	-	9,000,000	9,000,000	-	-	-	-	
United Bank Limited	December 26, 2024	January 10, 2025	12.55	-	1,000,000	1,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	December 26, 2024	January 10, 2025	12.55	-	3,000,000	3,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	December 26, 2024	January 02, 2025	12.60	-	2,500,000	2,500,000	-	-	-	-	
Pak Brunei Investment Company Limited	January 15, 2025	January 16, 2025	12.80	-	500,000	500,000	-	-	-	-	
Pak Brunei Investment Company Limited	January 16, 2025	January 17, 2025	12.80	-	300,000	300,000	-	-	-	-	
Pak Brunei Investment Company Limited	January 16, 2025	January 17, 2025	12.80	-	500,175	500,175	-	-	-	-	
Pak Oman Investment Company Limited	January 23, 2025	January 24, 2025	13.00	-	2,000,000	2,000,000	-	-	-	-	
Pak Brunei Investment Company Limited	February 20, 2025	February 21, 2025	12.25	-	1,000,000	1,000,000	-	-	-	-	
Pak Kuwait Investment Company Limited	March 20, 2025	March 21, 2025	12.50	-	3,500,000	3,500,000	-	-	-	-	
Pak Oman Investment Company Limited	April 03, 2025	April 04, 2025	12.25	-	2,000,000	2,000,000	-	-	-	-	
Pak Kuwait Investment Company Limited	April 03, 2025	April 04, 2025	12.25	-	4,600,000	4,600,000	-	-	-	-	
Pak Kuwait Investment Company Limited	April 04, 2025	April 11, 2025	12.05	-	4,601,544	4,601,544	-	-	-	-	
JS Bank Limited	April 15, 2025	April 16, 2025	12.30	-	1,000,000	1,000,000	-	-	-	-	
Pak Oman Investment Company Limited	April 22, 2025	April 24, 2025	12.20	-	1,000,000	1,000,000	-	-	-	-	
Pak Oman Investment Company Limited	April 23, 2025	April 24, 2025	12.20	-	1,000,000	1,000,000	-	-	-	-	
Pak Oman Investment Company Limited	April 24, 2025	April 25, 2025	12.25	-	3,000,000	3,000,000	-	-	-	-	
Pak Oman Investment Company Limited	April 28, 2025	April 29, 2025	12.10	-	2,000,000	2,000,000	-	-	-	-	
JS Bank Limited	April 28, 2025	April 29, 2025	12.25	-	2,000,000	2,000,000	-	-	-	-	
JS Bank Limited	April 29, 2025	April 30, 2025	12.10	-	1,000,000	1,000,000	-	-	-	-	
Pak Oman Investment Company Limited	April 29, 2025	April 30, 2025	12.15	-	1,500,000	1,500,000	-	-	-	-	
JS Bank Limited	April 29, 2025	April 30, 2025	12.10	-	2,500,000	2,500,000	-	-	-	-	
Saudi Pak Industrial & Agricultural Investment Company Limited	May 05, 2025	May 06, 2025	12.00	-	810,000	810,000	-	-	-	-	
Pak Oman Investment Company Limited	May 05, 2025	May 06, 2025	12.00	-	2,500,000	2,500,000	-	-	-	-	

Name of Investee Company	Issue date	Maturity Date	Profit Rate	Face value			As at June 30,		Market value as a percentage of net assets	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		
				Rupees in '000					%	
United Bank Limited	May 06, 2025	May 07, 2025	11.00	-	750,000	750,000	-	-	-	-
United Bank Limited	May 06, 2025	May 07, 2025	11.00	-	1,000,000	1,000,000	-	-	-	-
United Bank Limited	May 12, 2025	May 13, 2025	11.10	-	750,000	750,000	-	-	-	-
Saudi Pak Industrial & Agricultural Investment Company Limited	May 29, 2025	June 11, 2025	11.00	-	1,000,000	1,000,000	-	-	-	-
Pak Kuwait Investment Company Limited	May 29, 2025	May 30, 2025	11.00	-	4,330,000	4,330,000	-	-	-	-
JS Bank Limited	June 02, 2025	June 05, 2025	11.15	-	2,000,000	2,000,000	-	-	-	-
JS Bank Limited	June 02, 2025	June 05, 2025	11.15	-	2,500,000	2,500,000	-	-	-	-
Pak Kuwait Investment Company Limited	June 02, 2025	June 11, 2025	11.15	-	2,510,000	2,510,000	-	-	-	-
Pak Kuwait Investment Company Limited	June 11, 2025	June 12, 2025	11.30	-	2,200,000	2,200,000	-	-	-	-
JS Bank Limited	June 13, 2025	June 17, 2025	11.07	-	400,000	400,000	-	-	-	-
Pakistan Mortgage Refinance Company	June 13, 2025	June 20, 2025	11.10	-	672,000	672,000	-	-	-	-
JS Bank Limited	June 13, 2025	June 17, 2025	11.07	-	2,000,000	2,000,000	-	-	-	-
JS Bank Limited	June 13, 2025	June 17, 2025	11.07	-	2,500,000	2,500,000	-	-	-	-
<b>As at June 30, 2025</b>							<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at June 30, 2024</b>							<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
							<b>June 30, 2025</b>	<b>June 30, 2024</b>		
							<b>(Rupees in '000)</b>			

**6.3 Net unrealised gain on re-measurement of investments at 'fair value through profit or loss'**

Market value of investments	6.1.1, 6.1.2, 6.1.3 & 6.2	<b>58,520,497</b>	19,180,715
Less: Carrying value of investments	6.1.1, 6.1.2, 6.1.3 & 6.2	<b>58,483,951</b>	19,151,189
		<b>36,546</b>	29,526

**7. PROFIT RECEIVABLE**

Profit receivable on:			
Bank deposits	7.1	<b>11,744</b>	160,787
Pakistan Investment Bonds		<b>17,033</b>	-
		<b>28,777</b>	160,787

**7.1** These include a markup receivable from Habib Bank Limited, a related party, amounting to Rs. 19.65 million (2024: Rs. 160.146 million).

**8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE**

Advance tax	8.1	<b>1,032</b>	1,032
Prepaid rating fee		<b>132</b>	122
Security deposits with Central Depository Company of Pakistan Limited		<b>100</b>	100
Other receivable		<b>55</b>	-
		<b>1,319</b>	1,254

**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
		----- (Rupees in '000) -----	
<b>9.</b>	<b>PAYABLE TO THE MANAGEMENT COMPANY</b>		
	Remuneration payable to the Management Company	40,660	46,703
	Sindh Sales Tax payable on Management Company's remuneration	6,099	6,071
	Sales load payable	13,236	1,493
	Selling and marketing expense payable	-	13,656
		<u>59,995</u>	<u>67,923</u>

**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 year ranging between 0.2% to 1.21% (2024: 0.81% to 1.15%) 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 2% 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.

**9.4** 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.

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>10.</b>	<b>PAYABLE TO THE TRUSTEE</b>		
	Trustee fee payable	3,728	2,234
	Sindh Sales Tax payable on remuneration of the Trustee	559	290
		<u>4,287</u>	<u>2,524</u>

**10.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund of 0.0550% 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 Provincial Government of Sindh 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.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
SECP fee payable	11.1	<u>5,082</u>	<u>3,038</u>
<b>11.1</b>	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
	Note	----- (Rupees in '000) -----	
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Withholding tax payable		<b>1,104,653</b>	172,483
Provision for Federal Excise Duty	12.1	<b>7,528</b>	7,528
Brokerage payable		<b>951</b>	383
Zakat payable		<b>672</b>	375
Auditors' remuneration		<b>524</b>	437
Legal charges payable		-	150
Other payable		<b>16</b>	-
		<u><b>1,114,344</b></u>	<u>181,356</u>

**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. 7.53 million (2024: Rs. 7.53 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. 0.0065 per unit (2024: Re. 0.0138 per unit).

**13. CONTINGENCIES AND COMMITMENTS**

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



		June 30, 2025	June 30, 2024
<b>14. NUMBER OF UNITS IN ISSUE</b>	<b>Note</b>	----- <b>Number of Units</b> -----	
Total units in issue at the beginning of the year		546,966,486	493,553,515
Add: Units issued during the year		2,707,635,656	1,443,719,338
Less: Units redeemed during the year		<u>(2,088,040,991)</u>	<u>(1,390,306,367)</u>
Total units in issue at the end of the year		<u><u>1,166,561,151</u></u>	<u><u>546,966,486</u></u>
<b>15. AUDITORS' REMUNERATION</b>		----- <b>(Rupees in '000)</b> -----	
Annual audit fee		382	348
Fee for half yearly review		157	144
Other certifications		130	119
Out of pocket expenses		<u>54</u>	<u>49</u>
		<b>723</b>	660
Sales Tax		<u>58</u>	<u>53</u>
		<b>781</b>	713
<b>16. TAXATION</b>			
<p>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.</p>			
<b>17. TOTAL EXPENSE RATIO</b>			
<p>The total annualised expense ratio (TER) of the Fund for the year ended June 30, 2025 1.36% (2024: 1.53%) which includes 0.24% (2024: 0.21%) representing Government levies and the SECP fee, etc. The prescribed limit for the ratio excluding government levies is 2% (2024: 2%) under the NBFC Regulations for a collective investment scheme categorised as an 'Money Market scheme'.</p>			
<b>18. CASH AND CASH EQUIVALENTS</b>	<b>Note</b>	June 30, 2025	June 30, 2024
Bank balances	5	63,200,140	37,335,660
Market Treasury Bills - 1 & 3 months	6.1.1	<u>9,362,789</u>	<u>3,300,392</u>
		<u><b>72,562,929</b></u>	<u>40,636,052</u>

**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 of the Management Company, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes and pension schemes managed by the Management Company, directors and key management persons 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.

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:

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>19.1 Details of transactions with related parties / connected persons during the year:</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	867,417	457,002
Sindh Sales Tax on remuneration of the Management company	130,112	59,410
Sales load	17,402	1,493
Allocated Expenses	-	95,877
Selling and marketing expense	-	80,021
Issue of 37,250,323 units (2024: 9,830,891 units)	4,107,860	1,011,000
Redemption of 25,697,756 units (2024: 10,769,228 units)	2,893,000	1,108,000
Dividend paid	16,853	37,758
Amount received from Management Company against issuance to unitholders*	6,239	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	45,074	27,642
Sindh Sales Tax on remuneration of the Trustee	6,761	3,593
CDC service charges	4	
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid	1,324	1,238
Profit on savings accounts	490,575	1,022,822
Purchase of pakistan investment bonds	-	9,661,561
Sale of pakistan investment bonds	-	11,610,681
Purchase of Market Treasury Bills	35,878,498	77,555,895
Sale of Market Treasury Bills	49,708,580	91,152,810
<b>Directors and Executives of the Management Company</b>		
Issuance of 4,838,300 units (2024: 861,535 units)	510,809	88,639
Redemption of 3,052,560 units (2024: 939,103 units)	335,990	96,771
Dividend paid	67	680

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>DCCL Trustee HBL Financial Planning Fund Active Allocation Plan</b>		
<b>- Fund under common management</b>		
Issuance of Nil units (2024: 201,364 units)	-	20,836
Redemption of Nil units (2024: 212,341 units)	-	21,680
Dividend paid	-	1,140
<b>DCCL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>		
<b>- Fund under common management</b>		
Issuance of Nil units (2024:11,165 units)	-	1,156
Redemption Nil units (2024: 57,132 units)	-	170
Dividend paid	-	398
<b>HBL Asset Management Limited - Employee Gratuity Fund - Associate</b>		
Issuance of 422,105 units (2024: 252,788 units)	<b>47,948</b>	26,100
Redemption of 150,160 units (2024: 211,952 units)	<b>16,800</b>	21,850
Dividend paid	<b>3,107</b>	3,637
<b>HBL Asset Management Limited - Employee Provident Fund - Associate</b>		
Issuance of units 1,178,983 units (2024: 538,401)	<b>128,288</b>	55,500
Redemption of 664,885 units (2024: 508,698)	<b>74,200</b>	52,400
Dividend paid	<b>3,677</b>	7,604
<b>1 LINK (Private) Limited - Connected person due to holding of more than 10% units</b>		
Issuance of units 26,859,305 units (2024: 9,600,801)	<b>2,938,489</b>	1,002,975
Redemption of 21,945,305 units (2024: 6,096,909)	<b>2,500,461</b>	629,039
Dividend paid	<b>20,405</b>	121,561
<b>Jubilee General Insurance Company Limited - Associate</b>		
Issuance of 15,301,643 (2024: Nil units)	<b>1,700,000</b>	-
Redemption of 21,131,549 (2024: Nil units)	<b>2,318,401</b>	-
Dividend paid	-	-
<b>TAAVUN (PRIVATE) LIMITED - Connected person due to holding of more than 10% units</b>		
Dividend paid	-	168,976
<b>Amjad Maqsood - Connected person due to holding of more than 10% units</b>		
Redemption of Nil units (2024: 1,953)	-	200,000
Dividend paid	-	136
<b>Qadeer Baig - Connected person due to holding of more than 10% units</b>		
Dividend paid	-	258
<b>Mutual Funds Association of Pakistan - Due to Common Directorship</b>		
Issuance of 3,227 units (2024: 136,124 units)	<b>444</b>	14,000
Redemption of 51,112 units (2024: 62,252 units)	<b>5,516</b>	6,440
Dividend paid	<b>444</b>	834
<b>Pakistan Reinsurance Company Limited - Associate</b>		
Issuance of 14,537,576 units (2024: Nil units)	<b>1,624,319</b>	-
Dividend paid	<b>2,613</b>	-
<b>Pakistan Petroleum Limited - Due to Common Directorship</b>		
Issuance of 62,095,702 (2024: Nil units)	<b>6,600,180</b>	-
Redemption of 62,095,702 units (2024: 38,679,206 units)	<b>6,878,244</b>	983,928
Dividend paid	-	171,835

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>CDC Trustee HBL Financial Sector Income Fund - Connected Party</b>		
Purchase of Market Treasury Bills	1,328,697	-
Sale of Market Treasury Bills	249,730	-
<b>CDC Trustee HBL Government Securities Fund</b>		
Purchase of Market Treasury Bills	773,778	1,405,901
Sale of Market Treasury Bills	398,293	246,077
<b>HBL Micro Finance Bank Limited</b>		
Purchase of Market Treasury Bills	290,810	-
Sale of Market Treasury Bills	1,993,978	198,937
<b>CDC Trustee HBL Income Fund - Connected Party</b>		
Purchase of Market Treasury Bills	713,082	-
<b>CDC Trustee HBL Pension Fund - Money Market Fund-Connected Party</b>		
Sale of Market Treasury Bills	5,275	-
<b>CDC Trustee HBL Money Market Fund - Connected Party</b>		
Purchase of Market Treasury Bills	919,466	2,625,000
Sale of Market Treasury Bills	2,243,650	2,000,000
<b>19.2 Balances outstanding as at the year end</b>		
<b>HBL Asset Management Limited</b>		
Remuneration payable to the Management Company	40,660	46,703
Sindh Sales Tax payable on Management Company's remuneration	6,099	6,071
Sales load payable	13,236	1,493
Selling and marketing expense payable	-	13,656
Units held: 11,556,555 units (2024: 3,988 units)	1,194,399	411
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable (including sales tax)	4,287	2,524
Security deposit held	100	100
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	62,140,006	37,310,611
Profit receivable	19,650	160,147
<b>Directors and Executives of the Management Company</b>		
Units held: 2,104,083 units (2024: 79,767 units)	217,462	8,229
<b>HBL Asset Management Limited - Employee Gratuity Fund - Associate</b>		
Units held: 419,506 units (2024: 127,561 units)	43,357	13,159
<b>HBL Asset Management Limited - Employee Provident Fund - Associate</b>		
Units held: 792,203 (2024: 278,105 units)	81,876	28,689
<b>Fauji Fertilizers Company Limited - Connected person due to holding of more than 10% units</b>		
Units held: Nil units (2024: 6,389)	-	659
<b>1 LINK (Private) Limited - Connected person due to holding of more than 10% units</b>		
Units held: 14,747,720 units (2024: 9,833,720)	1,524,214	1,012,657
<b>Mutual Funds Association of Pakistan - Due to Common Directorship</b>		
Units held: 33,107 units (2024: 80,992)	3,422	8,355
<b>Pakistan Reinsurance Company Limited - Associate</b>		
Units held: 14,537,576 (2024: Nil units)	1,502,495	-

\* 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.

## 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 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
<b>Level 1:</b>	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.
<b>Level 2:</b>	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.
<b>Level 3:</b>	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) -----							
<b>Financial assets measured at fair value</b>							
Government Securities	58,520,497	-	58,520,497	-	58,520,497	-	58,520,497
<b>Financial assets not measured at fair value</b>							
Bank balances	-	63,200,140	63,200,140				
Profit receivable	-	28,777	28,777				
Deposits and other receivable	-	155	155				
	-	63,229,072	63,229,072				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	53,896	53,896				
Payable to the Trustee	-	3,728	3,728				
Accrued expenses and other liabilities	-	1,328	1,328				
	-	58,952	58,952				

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 Securities	19,180,715	-	19,180,715	-	19,180,715	-	19,180,715
Financial assets not measured at fair value							
Bank balances	-	37,335,660	37,335,660				
Profit receivable	-	160,787	160,787				
Deposits	-	100	100				
	-	37,496,547	37,496,547				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	61,852	61,852				
Payable to the Trustee	-	2,234	2,234				
Accrued expenses and other liabilities	-	938	938				
	-	65,024	65,024				

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 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."

### 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.

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.

#### 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 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) -----	
<b>Variable rate instrument (financial asset)</b>		
Bank balances	<u>63,200,135</u>	<u>37,335,655</u>
<b>Fixed rate instrument (financial asset)</b>		
Government securities	<u>58,520,497</u>	<u>19,180,715</u>

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. 631.907 million (2024: Rs. 373.357 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by Financial Markets Association of Pakistan FMAP on June 30, 2025, the net income for the year and net assets would be lower / higher by Rs. 585.205 million (2024: Rs. 191,807 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	9 to 13.5	63,200,135	-	-	5	63,200,140
Investments						
- Government securities	10.95 to 12	29,260,716	29,259,781	-	-	58,520,497
Profit receivable		-	-	-	28,777	28,777
Deposits and other receivable		-	-	-	155	155
		<b>92,460,851</b>	<b>29,259,781</b>	<b>-</b>	<b>28,937</b>	<b>121,749,569</b>

**Financial Liabilities**

Payable to Management Company		-	-	-	53,896	53,896
Payable to Trustee		-	-	-	3,728	3,728
Accrued expenses and other liabilities		-	-	-	1,328	1,328
		<b>-</b>	<b>-</b>	<b>-</b>	<b>58,952</b>	<b>58,952</b>

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 year	More than one year	Not exposed to yield / interest risk	

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

**On-balance sheet financial instruments**

**Financial assets**

Bank balances	20.75 to 21.5	37,335,655	-	-	5	37,335,660
Investments						-
- Government securities	19.93 to 21.66	3,300,392	15,880,323	-	-	19,180,715
Profit receivable		-	-	-	160,787	160,787
Deposits and other receivable		-	-	-	100	100
		<b>40,636,047</b>	<b>15,880,323</b>	<b>-</b>	<b>160,892</b>	<b>56,677,262</b>

**Financial liabilities**

Payable to Management Company		-	-	-	61,852	61,852
Payable to Trustee		-	-	-	2,234	2,234
Accrued expenses and other liabilities		-	-	-	938	938
		<b>-</b>	<b>-</b>	<b>-</b>	<b>65,024</b>	<b>65,024</b>

**21.1.3 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.



In case of a 1% increase / decrease in effective yield as on June 30, 2016, the net assets of the Fund would increase / decrease by Rs. 2.41 million (2015: Rs. 3.345 million).

## 21.2 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	63,200,140	63,200,140	37,335,660	37,335,660
Investments	58,520,497	-	19,180,715	-
Profit receivable	28,777	11,744	160,787	160,787
Deposits and other receivable	155	155	100	100
	<b>121,749,569</b>	<b>63,212,039</b>	56,677,262	37,496,547

21.2.1 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

Habib Bank Limited	62,140,006	AAA	VIS
Bank Alfalah Limited	951,784	AAA	PACRA
United Bank Limited	87,445	AAA	VIS
Bank Al Habib Limited	20,211	AAA	PACRA
Soneri Bank Limited	251	AA-	PACRA
Allied Bank Limited	85	AAA	PACRA
MCB Bank Limited	76	AAA	PACRA
Faysal Bank Limited	70	AA	PACRA
Zarai Taraqiat Bank Limited	65	AAA	VIS
Bank Islami Pakistan Limited	46	AA-	PACRA
Habib Metropolitan Bank Limited	46	AA+	PACRA
Sindh Bank Limited	27	AA-	VIS
Samba Bank Limited	15	AA	PACRA
National Bank Limited	13	AAA	PACRA
	<b>63,200,140</b>		

The analysis below summarizes the credit rating quality of the Fund's financial assets with banks as at June 30, 2024 and June 30, 2023:

Bank balances by rating category	June 30, 2024		June 30, 2023	
	Rupees in '000	%	Rupees in '000	%
A-1+	<b>8,444</b>	<b>100.00</b>	2,306	100.00
	<b>8,444</b>	<b>100.00</b>	2,306	100.00

Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2024.

Investments in market treasury bills and PIBs 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 investment.

Deposits are placed with Central Depository Company of Pakistan Limited (CDC) for the purpose of affecting transaction and settlement of listed securities. It is expected that all deposits with NCCPL and CDC will be clearly identified as being assets of the Fund, hence management believes that the Fund is not materially exposed to a credit risk with respect to deposits.

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
-----------------------------	---	---	---------------

Balances with banks by rating category

Habib Bank Limited	37,310,611	A-1+	VIS
Habib Metropolitan Bank Limited	16,333	A-1+	PACRA
Bank Al Habib Limited	8,184	A-1+	PACRA
Faysal Bank Limited	205	A-1+	VIS
Allied Bank Limited	85	A-1+	PACRA
MCB Bank Limited	76	A-1+	PACRA
Zarai Taraqati Bank Limited	65	A-1+	VIS
Dubai Islamic Bank Pakistan Limited	46	A-1+	VIS
Sindh Bank Limited	27	A-1+	VIS
Samba Bank Limited	15	A-1	PACRA
National Bank of Pakistan	13	A-1+	PACRA
	<b>37,335,660</b>		

Investments in government securities 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 investment.

**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.

### 21.3 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) -----						
<b>Financial assets</b>						
Bank balances	63,200,140	-	-	-	-	63,200,140
Investments	-	29,260,716	29,259,781	-	-	58,520,497
Profit receivable	11,744	17,033	-	-	-	28,777
Deposits and other receivables	155	-	-	-	-	155
	<b>63,212,039</b>	<b>29,277,749</b>	<b>29,259,781</b>	-	-	<b>121,749,569</b>
<b>Financial liabilities</b>						
Payable to Management Company	53,896	-	-	-	-	53,896
Payable to Trustee	3,728	-	-	-	-	3,728
Accrued expenses and other liabilities	1,328	-	-	-	-	1,328
	<b>58,952</b>	-	-	-	-	<b>58,952</b>
<b>On-balance sheet gap</b>	<b>63,153,087</b>	<b>29,277,749</b>	<b>29,259,781</b>	-	-	<b>121,690,617</b>
<b>Total liquidity risk sensitivity gap</b>	<b>63,153,087</b>	<b>29,277,749</b>	<b>29,259,781</b>	-	-	
<b>Cumulative liquidity risk sensitivity gap</b>	<b>63,153,087</b>	<b>92,430,836</b>	<b>121,690,617</b>	<b>121,690,617</b>	<b>121,690,617</b>	

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) -----						
<b>Financial assets</b>						
Bank balances	37,335,660	-	-	-	-	37,335,660
Investments	-	3,300,392	15,880,323	-	-	19,180,715
Profit receivable	160,787	-	-	-	-	160,787
Deposits and other receivables	100	-	-	-	-	100
	37,496,547	3,300,392	15,880,323	-	-	56,677,262
<b>Financial liabilities</b>						
Payable to Management Company	61,852	-	-	-	-	61,852
Payable to Trustee	2,234	-	-	-	-	2,234
Accrued expenses and other liabilities	938	-	-	-	-	938
	65,024	-	-	-	-	65,024
On-balance sheet gap	37,431,523	3,300,392	15,880,323	-	-	56,612,239
Total liquidity risk sensitivity gap	37,431,523	3,300,392	15,880,323	-	-	
Cumulative liquidity risk sensitivity gap	37,431,523	40,731,915	56,612,239	56,612,239	56,612,239	

## 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.

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

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

**Top ten brokers during the year ended June 30, 2024**

1. Al Falah CLSA Securities (Private) Limited
2. C & M Management (Private) Limited
3. Optimus Markets (Private) Limited
4. Magenta Capital (Private) Limited
5. BMA Capital Management Limited
6. Icon Securities (Private) Limited
7. Bright Capital (Private) Limited
8. Currency Market Associates (Private) Limited
9. JS Global Capital Limited
10. Invest One Markets Limited

**Top ten brokers during the year ended June 30, 2023**

1. Optimus Markets (Private) Limited
2. Al Falah CLSA Securities (Private) Limited
3. C & M Management (Private) Limited
4. Continental Exchange (Private) Limited
5. Bright Capital (Private) Limited
6. Icon Securities (Private) Limited
7. Invest One Markets Limited
8. Magenta Capital (Private) Limited
9. BMA Capital Management Limited
10. Vector Capital (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.	Rahat Saeed Khan	Head of Fixed Income	MBA	28
4.	Amin Mohammad	Head of Risk	MBA	33
5.	Hammad Ali Abbas	Senior Fund Manager	MSC	20
6.	Wasim Akram	Senior Fund Manager	MBA	22

**25. PATTERN OF UNITHOLDING**

Category	As at June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
Associated Company	1	11,556,555	1,194,399	0.99
Trusts	27	2,716,851	280,793	0.23
Insurance Companies	11	17,478,024	1,806,397	1.50
Retirement Funds	49	84,210,682	8,703,385	7.22
Other Corporates	203	474,965,637	49,088,893	40.72
Individuals	4694	565,869,637	58,484,048	48.51
Foreign Individuals	25	9,431,285	974,747	0.81
Foreign Others	3	332,480	34,363	0.03
		<b>1,166,561,151</b>	<b>120,567,025</b>	<b>100.00</b>

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

Category	As at June 30, 2024			
	Number of unit holders	Number of units held	Investment amount	Percentage
			- (Rupees in '000) -	-----%-----
Associated Companies	5	6,239,561	643,656	1.14
Trusts	36	14,605,554	1,506,666	2.67
Insurance Companies	20	1,523,437	157,151	0.28
Retirement Funds	98	23,641,895	2,438,834	4.32
Other Corporates	290	305,082,493	31,471,485	55.78
Individuals	5521	187,882,420	19,381,442	34.35
Foreign Individuals	23	7,991,125	824,341	1.46
		546,966,486	56,423,575	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:

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.

## June 30, 2025

Rate per unit	Declaration date	Refund of capital	Distribution from Income	Total Distribution
				----- (Rupees in '000) -----

## 27. DISTRIBUTION DURING THE YEAR

For the year ended June 22, 2025	14.85	June 22, 2025	(2,200,850)	(2,067,342)	(4,268,192)
			(2,200,850)	(2,067,342)	(4,268,192)

June 30, 2024

Rate per unit	Declaration date	Refund of capital	Distribution from Income	Total Distribution	
				------(Rupees in '000)-----	
For the period ended August 07, 2023	2.1545	August 07, 2023	(89,126)	(1,017,984)	(1,107,110)
For the period ended September 18, 2023	2.4155	September 18, 2023	(68,845)	(1,178,835)	(1,247,680)
For the period ended October 16, 2023	1.6879	October 16, 2023	(87,223)	(721,297)	(808,520)
For the period ended November 13, 2023	1.6078	November 13, 2023	(63,777)	(708,748)	(772,525)
For the period ended December 11, 2023	1.4925	December 11, 2023	(43,086)	(616,852)	(659,938)
For the period ended January 15, 2024	2.1124	January 15, 2024	(93,556)	(841,802)	(935,358)
For the period ended February 19, 2024	1.8189	February 19, 2024	(61,359)	(704,494)	(765,852)
For the period ended March 11, 2024	1.1476	March 11, 2024	(21,299)	(447,794)	(469,093)
For the period ended April 22, 2024	2.2556	April 22, 2024	(70,876)	(835,125)	(906,001)
For the period ended June 10, 2024	2.8476	June 10, 2024	(204,747)	(1,039,436)	(1,244,183)
			(803,894)	(8,112,367)	(8,916,260)

**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** Multi Asset Fund



<b>NAME OF FUND</b>	HBL Multi Asset Fund
<b>NAME OF AUDITORS</b>	Yousuf Adil & Co., Chartered Accountants
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited
<b>NAME OF BANKERS</b>	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Zarai Tarakiyati Bank Limited Sindh Bank Limited Soneri Bank Limited National Bank Limited Dubai Islamic Bank Limited Habib Metropolitan Bank Limited

**Type and Category of Fund**

Open end Balanced Fund

**Investment Objective and Accomplishment of Objective**

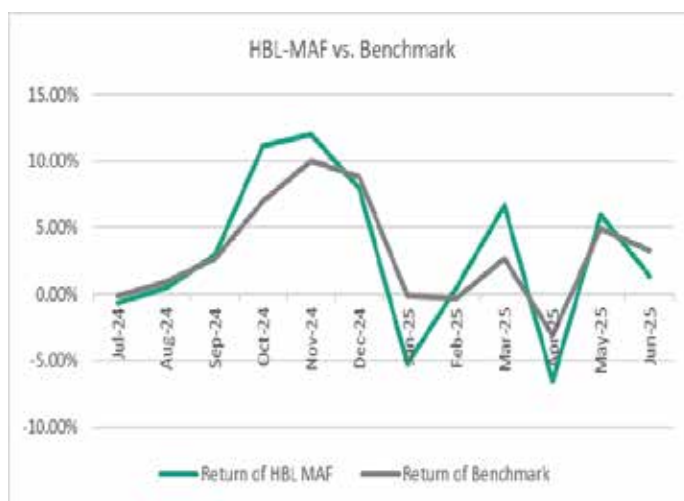
The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as equity, equity-related instruments, fixed-income securities, continuous funding system, derivatives, money market instruments, etc.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is 60% of benchmark for Equity CIS + 40% of benchmark for income CIS.

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

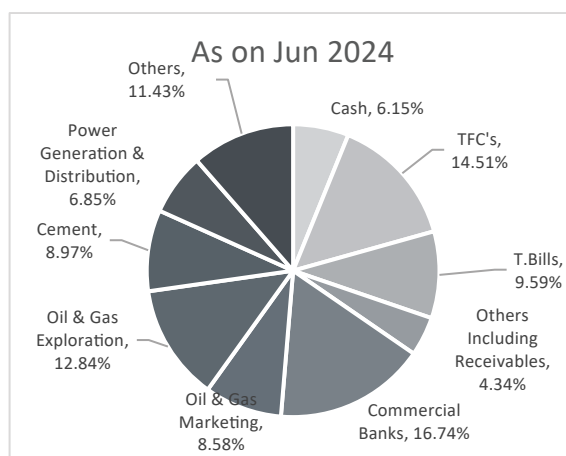
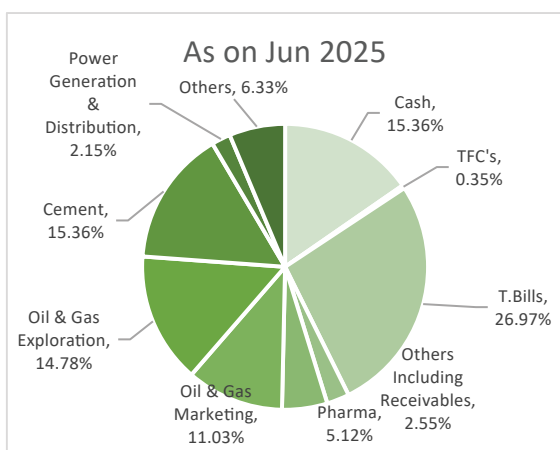
Month	Return of Fund	
	HBL -MAF	Benchmark
Jun-25	1.37%	3.25%
May-25	5.97%	4.90%
Apr-25	-6.52%	-3.04%
Mar-25	6.63%	2.67%
Feb-25	0.46%	-0.27%
Jan-25	-5.24%	-0.15%
Dec-24	7.91%	8.77%
Nov-24	12.01%	9.97%
Oct-24	11.11%	6.96%
Sep-24	2.90%	2.62%
Aug-24	0.48%	0.92%
Jul-24	-0.68%	-0.08%



**Strategies and Policies employed during the Year**

During the year under review, the Fund has decreased its exposure in equity securities from 65.41% in June 30, 2024 to 54.77% in 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 cement, oil and gas marketing, oil and gas exploration and pharma was increased, while exposure in commercial banks and power was decreased. The Fund increased its exposure in T.Bills during the year.

**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	15.36%	6.15%
TFC's	0.35%	14.51%
T.Bills	26.97%	9.59%
Others Including Receivables	2.55%	4.34%
Pharma	5.12%	0.00%
Commercial Banks	0.00%	16.74%
Oil & Gas Marketing	11.03%	8.58%
Oil & Gas Exploration	14.78%	12.84%
Cement	15.36%	8.97%
Power Generation & Distribution	2.15%	6.85%
Others	6.33%	11.43%
Total	100.00%	100.00%

## Fund Performance

The total and net income of the Fund was Rs. 61.74 million and Rs. 54.25 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs 185.6750 per unit as on June 30, 2025 (after incorporating dividend of Rs. 9.00 per unit) as compared to Rs 138.4640 per unit as on June 30, 2024, thereby giving a return of 40.59%. During the same period the benchmark index (Weighted average daily return KSE 100 and 6 Month PKRV rates) yielded a return of 42.16%. The size of Fund was Rs 0.15 billion as on June 30, 2025 as compared to Rs. 0.12 billion at the start of the year.

## 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, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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 approved dividend up to Rs. 9.00 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 year under review.

### Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 – 100	117	2,322
101 – 500	72	15,116
501 – 1,000	23	16,040
1,001 – 10,000	38	145,513
10,001 – 100,000	12	223,823
500,001 – 1,000,000	-	-
100,001 – 500,000	1	426,986
1,000,001 – 5,000,000	-	-
5,000,001 and above	-	-
Total	263	829,800

### 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 MULTI ASSET FUND

As at June 30, 2025

	2025	2024	2023	2022	2021	2020
Net assets at the period end (Rs'000)	154,073	124,779	103,664	104,221	202,437	193,764
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>						
Redemption	185.6750	138.4640	92.3983	92.9902	112.7464	94.0814
Offer	189.9455	141.5933	94.4865	95.0918	115.2945	96.2076
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>						
Highest offer price per unit	200.3071	154.6622	100.2886	119.3773	119.3354	118.9252
Lowest offer price per unit	139.0751	97.9643	90.2869	94.6849	97.2483	88.2349
Highest redemption price per unit	195.8036	151.2441	98.0722	116.739	116.698	116.2969
Lowest redemption price per unit	135.9483	95.7992	88.2915	92.5923	95.0991	86.2849
<b>RETURN ( % )</b>						
Total return	40.59%	62.74%	4.05%	-17.52%	21.99%	2.14%
Income distribution	6.50%	12.88%	4.35%	0.00%	2.05%	3.60%
Capital growth	34.09%	49.86%	-0.30%	-17.52%	19.94%	-1.46%
<b>DISTRIBUTION</b>						
Final dividend distribution (Rs)	9	11.9	4.35	0	2.05	3.6
Date of Income Distribution	27-Jun-25	29-Jun-24	27-Jun-23	-	18-Jun-21	44008
Total dividend distribution for the year/ period (Rs)	9.00	11.90	4.35	-	2.05	3.6
<b>AVERAGE RETURNS ( % )</b>						
Average annual return 1 year	40.59%	62.74%	4.05%	-17.52%	21.99%	2.14%
Average annual return 2 year	51.26%	30.13%	-7.36%	0.31%	11.62%	-3.56%
Average annual return 3 year	33.53%	11.78%	1.54%	0.92%	4.30%	-4.48%
<b>PORTFOLIO COMPOSITION - (%)</b>						
Percentage of Total Assets as at 30 June:						
Bank Balances	11.79%	5.97%	24.25%	26.38%	24.95%	33.10%
Placements with Banks & DFIs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TFC / Sukuk	0.51%	14.18%	6.75%	3.19%	8.05%	8.21%
Commercial Paper	0.00%	0.00%	0.00%	4.41%	2.01%	0.00%
Stock/Equities	54.87%	64.93%	63.37%	62.96%	63.49%	56.74%
Government Securities	26.67%	9.70%	0.00%	0.00%	0.00%	0.00%
Others Including receivables	6.15%	5.22%	5.63%	3.06%	1.50%	1.95%

**Note:**

The Launch date of the Fund is December 17, 2007

**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

HBLMAF	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
PANTHER TYRES LIMITED	2024-10-28	
Security Paper Limited	2024-09-25	
SHIFA INTERNATIONAL HOSPITAL LTD	2024-10-28	
SITARA CHEMICAL LIMITED	2024-10-24	
Tariq Glass Industries Ltd	2024-10-28	
The Bank of Punjab		
The Searle Comp	2024-10-28	
TPL TRAKKER LIMITED	2024-10-28	

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.  
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 MULTI ASSET FUND**

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Company 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 Unit Holders of HBL Multi Asset Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **HBL Multi Asset 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	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6 to the financial statements, investments held at fair value through profit or loss amounted to Rs. 159.671 million as at June 30, 2025, consisting of investment in listed equity securities, government securities and term finance certificates which represent a significant item on the statement of assets and liabilities of the Fund.</p> <p>We have identified the existence and valuation as the significant areas during our audit of investment.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> <li>tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li> <li>matched the number of term finance certificates held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;</li> <li>matched government 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;</li> </ul>



#### **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**.



Yousuf Adil  
Chartered Accountants

Place: Karachi

Date: September 29, 2025

UDIN: AR202510057gSz4nuil1

**HBL Multi Asset Fund**  
**Statement of Assets and Liabilities**  
*As at June 30, 2025*

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Bank balances	22,595	8,225
Investments	159,671	119,713
Profit receivable	157	1,395
Receivable against sale of investment	8,543	-
Advances, deposits and other receivables	3,675	4,421
<b>TOTAL ASSETS</b>	<b>194,641</b>	<b>133,754</b>
<b>LIABILITIES</b>		
Payable to the Management Company	445	301
Payable to the Trustee	35	23
Payable to Securities and Exchange Commission of Pakistan	13	9
Payable against redemption of Units	31,060	-
Dividend payable	262	3
Accrued expenses and other liabilities	8,753	8,639
<b>TOTAL LIABILITIES</b>	<b>40,568</b>	<b>8,975</b>
<b>NET ASSETS</b>	<b>154,073</b>	<b>124,779</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>	<b>154,073</b>	<b>124,779</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	----- (Number of units) -----	
<b>NUMBER OF UNITS IN ISSUE</b>	<b>829,800</b>	<b>901,168</b>
	----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	<b>185.6750</b>	<b>138.4640</b>

The annexed notes 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 Multi Asset Fund**  
**Income Statement**  
For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>INCOME</b>		
Profit / return on investments	6,112	3,667
Profit on bank deposits	1,900	4,020
Dividend income	6,268	6,339
Realised gain on sale of investments	26,899	16,781
Unrealised gain on re-measurement of investments at fair value through profit or loss	20,564	20,178
6.5	<b>61,743</b>	<b>50,985</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	3,977	1,835
Sindh Sales Tax on remuneration of the Management Company	597	239
Allocated expenses	-	229
Selling and marketing expense	-	243
Remuneration of the Trustee	318	206
Sindh Sales Tax on remuneration of the Trustee	48	27
Securities and Exchange Commission of Pakistan fee	135	87
Auditors' remuneration	786	613
Fees and subscription	32	31
Securities transaction costs	773	1,063
Settlement and bank charges	447	409
Tax professional charges	250	128
Printing charges	126	130
Reimbursement of expenses from the Management Company	-	(738)
	<b>7,489</b>	<b>4,502</b>
<b>Net income from operating activities</b>	<b>54,254</b>	<b>46,483</b>
<b>Net income for the year before taxation</b>	<b>54,254</b>	<b>46,483</b>
Taxation	-	-
16	<b>54,254</b>	<b>46,483</b>
<b>Net income for the year after taxation</b>	<b>54,254</b>	<b>46,483</b>
<b>Allocation of income for the year</b>		
Net income for the year after taxation	54,254	46,483
Income already paid on redemption of units	(18,043)	(4,062)
	<b>36,211</b>	<b>42,421</b>
<b>Accounting income available for distribution:</b>		
- Relating to capital gain	31,678	33,466
- Excluding capital gain	4,533	8,954
	<b>36,211</b>	<b>42,421</b>
<b>Earnings per unit</b>	4.11	

The annexed notes 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 Multi Asset Fund**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	54,254	46,483
<b>Other comprehensive income for the year</b>	-	-
<b>Total comprehensive income for the year</b>	<u>54,254</u>	<u>46,483</u>

The annexed notes 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 Multi Asset Fund**  
**Statement of Movement in Unit Holders' Fund**  
For the year ended June 30, 2025

	June 30, 2025			June 30, 2024		
	Capital Value	Undistributed Income / (Accumulated loss)	Total	Capital Value	Accumulated loss	Total
----- (Rupees in '000) -----						
Net assets at beginning of the year	142,223	(17,444)	124,779	154,814	(51,150)	103,664
<b>Issuance of units: 1,108,727</b> <b>(2024: 303,415 units)</b>						
- Capital value (at net asset value per unit at the beginning of the year)	153,519	-	153,519	28,035	-	28,035
- Element of Income	44,935	-	44,935	9,674	-	9,674
<b>Total proceeds on issuance of units</b>	<b>198,454</b>	<b>-</b>	<b>198,454</b>	<b>37,709</b>	<b>-</b>	<b>37,709</b>
<b>Redemption of units: 1,180,095</b> <b>(2024: 524,172 units)</b>						
- Capital value (at net asset value per unit at the beginning of the year)	(163,401)	-	(163,401)	(48,433)	-	(48,433)
- Income already paid during the year	-	(18,043)	(18,043)	-	(4,062)	(4,662)
- Element of (loss)	(34,782)	-	(34,782)	(600)	(4,062)	(4,662)
<b>Total payments on redemption of units</b>	<b>(198,183)</b>	<b>(18,043)</b>	<b>(216,226)</b>	<b>(49,033)</b>	<b>(4,062)</b>	<b>(53,095)</b>
Total comprehensive income for the year	-	54,254	54,254	-	46,483	46,483
Final distribution for the year ended June 30, 2025: Rs. 9 per unit (2024: 11.9) declared on June 26, 2025	-	(6,826)	(6,826)	-	(8,715)	(8,715)
Refund of Capital	(362)	-	(362)	(1,267)	-	(1,267)
<b>Total distribution</b>	<b>(362)</b>	<b>47,428</b>	<b>47,066</b>	<b>(1,267)</b>	<b>37,768</b>	<b>36,501</b>
Net assets at end of the year	<b>142,132</b>	<b>11,941</b>	<b>154,073</b>	<b>142,223</b>	<b>(17,444)</b>	<b>124,779</b>
<b>Accumulated loss brought forward</b>						
- Realised		(37,622)			(49,986)	
- Unrealised		20,178			(1,164)	
		(17,444)			(51,150)	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		31,678			33,466	
- Excluding capital gains		4,533			8,954	
		36,211			42,421	
Distributions during the year		(6,826)			(8,715)	
<b>Undistributed income / (loss) carried forward</b>		<b>11,941</b>			<b>(17,444)</b>	
Undistributed income / (loss) carried forward						
- Realised		(8,623)			(37,622)	
- Unrealised		20,564			20,178	
		11,941			(17,444)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		138.4640			92.3983	
Net assets value per unit at end of the year		185.6750			138.4640	

The annexed notes 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 Multi Asset Fund**  
**Cash Flow Statement**  
For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>Cash flow from operating activities</b>		
Net income for the year after taxation	54,254	46,483
<b>Adjustments for non-cash and other items:</b>		
Mark-up / return on investments	(6,112)	(3,667)
Mark-up on bank deposits	(1,900)	(4,020)
Dividend income	(6,268)	(6,339)
Realised gain on sale of investments	(26,899)	(16,781)
Unrealised gain on re-measurement of investments at fair value through profit or loss	(20,564)	(20,178)
	(7,489)	(4,502)
<b>Decrease / (Increase) in assets</b>		
Investments	10,753	10,414
Advances, deposits and other receivables	746	(629)
	11,499	9,785
<b>Increase / (decrease) in liabilities</b>		
Payable to the Management Company	144	(19)
Payable to the Trustee	12	4
Payable to the Securities and Exchange Commission of Pakistan	4	(10)
Payable against redemption of units	31,060	-
Dividend Payable	259	(3)
Accrued expenses and other liabilities	114	601
	31,593	573
<b>Net cash generated from operating activities</b>	<b>35,603</b>	<b>5,856</b>
<b>Cashflow from investing activities</b>		
Markup received on bank deposits	2,007	4,362
Markup received on investments	7,228	2,722
Dividend income received	6,283	6,307
<b>Net cash generated from investing activities</b>	<b>15,518</b>	<b>13,391</b>
	51,121	19,247
<b>Cash flow from financing activities</b>		
Proceeds from issuance of units	198,092	36,442
Payment on redemption of units	(216,226)	(53,095)
Cash distribution to unit holders	(6,826)	(8,715)
<b>Net cash used in financing activities</b>	<b>(24,960)</b>	<b>(25,368)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>26,161</b>	<b>(6,121)</b>
Cash and cash equivalents at beginning of the year	21,052	27,173
<b>Cash and cash equivalents at end of the year</b>	<b>47,213</b>	<b>21,052</b>

18

The annexed notes 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 Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, 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 September 28, 2007.
- 1.2** The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the 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 located 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 units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange.
- 1.5** The Fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorisation of open-end Collective Investment Scheme (CISs). The Management Company has also planned to change its category from 'balanced fund' to 'asset allocation fund' for which the Management Company intends to seek SECP approval. Once executed, the Management Company would launch different plans in the Fund to ensure continuous compliance of fund size requirements.
- 1.6** The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes, such as equity securities, government securities, fixed income securities, continuous funding system, derivatives, money market instruments and other asset classes / securities / instruments.
- 1.7** VIS Credit Rating Company has reaffirmed a management quality rating to 'AM1' (Stable outlook) of the Management Company on December 29, 2024.
- 1.8** 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 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), 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and 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 VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations and requirements of the Trust Deed have been followed.

## **2.2 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 4.1.1.1 and 6)
- Impairment of financial assets (note 4.1.1.3)
- Provision (note 4.3)
- Taxation (notes 4.4 and 16)
- Classification and measurements of financial liabilities (note 4.1.2.1)
- 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.

## **2.3 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 Basis of measurement**

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

## **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 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.

	<b>Effective from Accounting period beginning on or after</b>
- 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
- 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' - 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

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

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

### 4.1 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.

#### **4.1.1 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.

##### **4.1.1.1 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 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.

#### **4.1.1.2 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.

#### **4.1.1.3 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.

#### **4.1.1.4 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.

#### **4.1.2 Financial liabilities**

##### **4.1.2.1 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.

##### **4.1.2.2 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.

#### **4.1.3 Offsetting of financial instr**

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

#### **4.2 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.

#### **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 the obligation can be made. Provisions, if any, 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 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.

#### **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.

#### **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 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.

**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. 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.

**4.8 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.

**4.9 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 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.

**4.10 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.

**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.

	Note	June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>5. BANK BALANCES</b>			
Savings accounts	5.1	<u>22,595</u>	<u>8,225</u>

**5.1** This represents bank balances held with different banks. Mark-up rates on these accounts range between 9% and 10.5% per annum (2024: 19% and 22.5% per annum). This includes a balance held by Habib Bank Limited, a related party, amounting to Rs. 5.011 million (2024: Rs. 1.16 million) which carry profit at the rate of 9% per annum .

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>6. INVESTMENTS</b>		
<b>Investment by category</b>		
<b>Financial assets at fair value through profit or loss</b>		
- Listed equity securities	6.1	106,535
- Term finance certificates	6.2	672
- Market Treasury Bills	6.3	52,464
		<u>159,671</u>
		<u>119,713</u>

**6.1 Listed equity securities - At fair value through profit or loss Listed equity securities - available for sale**

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

Name of Investee Company	As at July 01, 2024	Purchases during the Year	Bonus / Rights issue (Note 6.1.2)	Sales during the Year	As at June 30, 2025	As at June 30, 2025			Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)			
	(Number of shares)					(Rupees in '000)			(%)		
<b>Automobile Assembler</b>											
Al-Ghazi Tractors Limited	750	5,100	-	5,850	-	-	-	-	-	-	-
Atlas Honda Limited	-	1,045	-	1,045	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	7,250	-	7,250	-	-	-	-	-	-	-
Ghandhara Automobiles Limited	-	4,900	-	4,900	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	3,050	2,000	-	5,050	-	-	-	-	-	-	-
Indus Motor Company Limited	-	400	-	400	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	729	1,200	-	1,929	-	-	-	-	-	-	-
<b>Automobile Parts &amp; Accessories</b>											
Baluchistan Wheels Limited	11,500	-	-	11,500	-	-	-	-	-	-	-
Exide Pakistan Limited	2,700	-	-	2,700	-	-	-	-	-	-	-
Panther Tyres Limited	3,000	4,500	-	7,500	-	-	-	-	-	-	-
<b>Cement</b>											
Attock Cement Pakistan Limited	-	37,600	-	20,650	16,950	3,835	4,960	1,125	3.11	3.22	0.01
D.G. Khan Cement Company Limited	31,100	33,800	-	43,050	21,850	2,176	3,617	1,441	2.27	2.35	0.00
Fauji Cement Company Limited	108,300	171,500	-	197,000	82,800	2,703	3,699	996	2.32	2.40	0.00
Flying Cement Company Limited	-	10,000	-	10,000	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	2,200	-	-	2,200	851	835	(16)	0.52	0.54	0.01
Lucky Cement Limited**	240	14,020	-	7,810	6,450	1,956	2,291	335	1.44	1.49	0.00
Maple Leaf Cement Limited	65,000	187,000	-	119,300	132,700	6,466	11,184	4,718	7.00	7.26	0.01
Pioneer Cement Co Limited	23,800	6,200	-	15,600	14,400	2,563	3,285	722	2.06	2.13	0.01
Thatta Cement Company Limited	-	54,000	-	54,000	-	-	-	-	-	-	-
						20,550	29,871	9,321	18.72	19.39	0.05
<b>Chemical</b>											
Biafo Industries Limited	-	15,700	-	-	15,700	2,657	2,757	100	1.73	1.79	0.03
Ittehad Chemical Limited	12,000	-	-	12,000	-	-	-	-	-	-	-
Sitara Chemical Limited	-	2,000	-	-	2,000	880	992	112	0.62	0.64	0.01
						3,537	3,749	212	2.35	2.43	0.04
<b>Commercial Banks</b>											
Askari Bank Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
Bank Al-Falah Limited	19,000	-	-	19,000	-	-	-	-	-	-	-
Bani Al-Habib Limited	34,570	66,000	-	100,570	-	-	-	-	-	-	-
The Bank Of Punjab	-	145,000	-	145,000	-	-	-	-	-	-	-
Faysal Bank Limited	750	-	-	-	750	39	52	13	0.03	0.03	0.00
Habib Bank Limited	5,000	99,000	-	104,000	-	-	-	-	-	-	-
Habib Metropolitan Bank Limited	8,500	-	-	8,500	-	-	-	-	-	-	-
MCB Bank Limited	5,600	-	-	5,600	-	-	-	-	-	-	-
Meezan Bank Limited	22,550	-	-	22,550	-	-	-	-	-	-	-
National Bank Of Pakistan	-	13,500	-	13,500	-	-	-	-	-	-	-
United Bank Limited	36,256	7,800	-	44,056	-	-	-	-	-	-	-
						39	52	13	0.03	0.03	0.00
<b>Engineering</b>											
Agha Steel Ind. Limited	16,500	-	-	16,500	-	-	-	-	-	-	-
Aisha Steel Mills Limited	38,745	29,000	-	67,745	-	-	-	-	-	-	-
International Steels Limited	8,000	-	-	8,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	3,582	2,800	-	3,600	2,782	250	201	(49)	0.13	0.13	0.00
						250	201	(49)	0.13	0.13	0.00
<b>Fertilizers</b>											
Agritech Limited	-	41,000	-	41,000	-	-	-	-	-	-	-
Arif Habib Limited***	-	6,000	-	-	6,000	400	453	53	0.28	0.29	0.00
Fauji Fertilizer Bin Qasim Limited	20,000	-	-	20,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	17,100	-	17,100	-	-	-	-	-	-	-
						400	453	53	0.28	0.29	0.00
<b>Food &amp; Personal Care Products</b>											
Murree Brewery Company Limited	1,700	-	-	300	1,400	678	1,134	456	0.71	0.74	0.01
National Foods Limited	-	8,000	-	4,000	4,000	968	1,309	341	0.82	0.85	0.00
						1,646	2,443	797	1.53	1.59	0.01
<b>Glass &amp; Ceramics</b>											
Tariq Glass Industries Limited	10,500	2,000	-	12,500	-	-	-	-	-	-	-



# HBL Multi Asset Fund

## Notes to the financial statements

For the year ended June 30, 2025

Name of Investee Company	As at July 01, 2024	Purchases during the Year	Bonus / Rights issue (Note 6.1.2)	Sales during the Year	As at June 30, 2025	As at June 30, 2025			Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain / (loss)			
					(Number of shares)	(Rupees in '000)			(%)		
<b>Investment Banks</b>											
Engro Holding Limited	-	10,550	-	10,550	-	-	-	-	-	-	-
<b>Miscellaneous</b>											
Shifa International Hospital Limited	-	1,992	-	-	1,992	770	946	176	0.59	0.61	0.00
						770	946	176	1.00	0.61	0.00
<b>Oil &amp; Gas Exploration Companies</b>											
Mari Energies Limited (Mari Petroleum Company Limited)	-	12,200	-	12,200	-	-	-	-	-	-	-
Oil & Gas Development Co Limited	62,700	40,700	-	38,400	65,000	11,228	14,336	3,108	8.98	9.30	0.00
Pakistan Petroleum Limited	74,100	61,500	-	50,900	84,700	12,556	14,413	1,857	9.03	9.35	0.00
Pakistan Oilfields Limited	-	2,500	-	2,500	-	-	-	-	-	-	-
						23,784	28,749	4,965	18.01	18.65	0.00
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited	36,800	53,200	-	43,400	46,600	14,130	17,593	3,463	11.02	11.42	0.10
Sui Northern Gas Pipelines Limited	84,600	104,100	-	155,600	33,100	3,650	3,863	213	2.42	2.51	0.01
						17,780	21,456	3,676	13.44	13.93	0.11
<b>Paper and Board</b>											
Century Paper & Board Mills Limited	17,500	-	-	17,500	-	-	-	-	-	-	-
Security Paper Limited	-	11,000	-	2,600	8,400	1,346	1,345	(1)	0.84	0.87	0.01
						1,346	1,345	(1)	0.84	0.87	0.01
<b>Pharmaceuticals</b>											
Abbott Laboratories (Pakistan) Limited	1,100	1,000	-	400	1,700	1,577	1,652	75	1.03	1.07	0.00
AGP Limited	-	23,498	-	14,700	8,798	1,191	1,680	489	1.05	1.09	0.00
Ferozsons Laboratories Limited	6,000	4,500	-	10,500	-	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	14,800	-	5,550	9,250	3,228	3,614	386	2.26	2.35	0.00
Haleon Pakistan Limited	-	2,850	-	1,200	1,650	1,435	1,215	(220)	0.76	0.79	0.00
Highnoon Laboratories Limited	-	2,000	-	300	1,700	1,490	1,680	190	1.05	1.09	0.00
The Searle Company Limited	1,400	6,000	-	6,000	1,400	89	123	34	0.08	0.08	0.00
						9,010	9,964	954	6.23	6.47	0.00
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	47,400	17,900	-	53,400	11,900	1,668	1,640	(28)	1.03	1.06	-
K-Electric Limited*	310,000	962,000	-	789,000	483,000	2,312	2,536	224	1.59	1.65	0.00
						3,980	4,176	196	2.62	2.71	0.00
<b>Refinery</b>											
Attock Refinery Limited	3,750	20,100	-	23,850	-	-	-	-	-	-	-
National Refinery Limited	1,420	-	-	1,420	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	54,000	-	54,000	-	-	-	-	-	-	-
<b>Technology and Communication</b>											
Air Link Communication Limited	-	10,500	-	10,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	16,000	-	16,000	-	-	-	-	-	-	-
Systems Limited**	-	19,000	-	-	19,000	1,954	2,036	82	1.28	1.32	0.00
TPL Trakker Limited	158,000	-	-	4,525	153,475	952	1,094	142	0.69	0.71	0.08
						2,906	3,130	224	1.97	2.03	0.08
<b>As at June 30, 2025</b>						<b>85,998</b>	<b>106,535</b>	<b>20,537</b>			
As at June 30, 2024						67,312	87,477	20,165			

\* This has a face value of Rs. 3.5 per share.

\*\* These have a face value of Rs. 2 per share.

\*\*\* These have a face value of Re. 1 per share.

**6.1.1** Investments include shares having market value aggregating to Rs. 34.23 million (2024: Rs. 24.052 million) that have been pledged with National Clearing Company of Pakistan Limited (NCCPL) for guaranteeing settlement of the Fund's trades in terms of Circular No. 11 dated October 23, 2007 issued by the SECP. 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	5,250	-	1,536	-
Fauji Cement Company Limited	5,000	-	223	-
Maple Leaf Cement Factory Limited	56,000	56,000	4,720	2,128
Oil & Gas Development Company Limited	45,000	35,000	9,925	4,738
Pioneer Cement Limited	6,500	-	1,483	-
Pakistan Petroleum Limited	57,700	51,200	9,819	5,996
Pakistan State Oil Company Limited	17,280	7,280	6,524	1,210
United Bank Limited	-	25,000	-	6,406
Meezan Bank Limited	-	2,200	-	527
Sui Northern Gas Company Limited	-	48,000	-	3,047
	<b>192,730</b>	<b>224,680</b>	<b>34,230</b>	<b>24,052</b>

**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 of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the 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 company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 534.271 million at June 30, 2025 (2024: Rs. 447.832 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 favor 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.

These bonus shares include the following shares:

	<b>June 30, 2025</b>	June 30, 2024	<b>June 30, 2025</b>	June 30, 2024
	----- (Number of Shares) -----		----- (Rupees in '000) -----	
The Searle Company Limited	<b>1,400</b>	1,400	<b>122,780</b>	79,968
Mughal Iron & Steel Industries Limited	<b>2,782</b>	2,782	<b>200,638</b>	258,726
Pakistan State Oil Company Limited	<b>420</b>	420	<b>158,563</b>	69,808
Faysal Bank Limited	<b>750</b>	750	<b>52,290</b>	39,330
	<b>5,352</b>	5,352	<b>534,271</b>	447,832

Further, the Finance Act 2023 again introduced a 10% tax on value of bonus shares. However, no tax has been withheld on the bonus shares received by the Fund during this year.

6.2 Unlisted debt securities - Term finance certificates

Name of investee company	Number of certificates				As at June 30, 2025			Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 01, 2024	Purchased during the Year	Sold / matured during the Year	As at June 30, 2025	Carrying value	Market value	Unrealised (loss) / gain		
----- (Rupees in '000) -----									
<b>Technology &amp; Communication</b>									
TPL Trakker Limited	4	-	-	4	699	672	(27)	0.39	0.39
<b>Power Generation &amp; Distribution</b>									
The Hub Power Company Limited	50	-	50	-	-	-	-	-	-
Lucky Electric Power Company Limited	5	-	5	-	-	-	-	-	-
<b>Pharmaceuticals</b>									
OBS Pharma (Private) Limited	90	-	90	-	-	-	-	-	-
<b>As at June 30, 2025</b>					<b>699</b>	<b>672</b>	<b>(27)</b>		
As at June 30, 2024					<b>19,399</b>	<b>19,409</b>	<b>10</b>		
----- (%) -----									

6.2.1 Significant terms and conditions of term finance certificates outstanding as at June 30, 2025 are as follows:

Name of the Issuer	Mark-up rate (per annum)	Issue date	Maturity date	Rating
TPL Trakker Limited	3 months KIBOR + 1.20%	March 30, 2021	March 30, 2026	A+

6.3 Market Treasury Bills - At fair value through profit or loss

Name of security	Issue date	Face value			As at June 30, 2025			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2024	Purchased during the Year	Sold / matured during the Year	As at June 30, 2025	Carrying Value	Market value		
----- (Rupees in '000) -----									
Treasury bills - 3 months	May 02, 2024	13,000	-	13,000	-	-	-	-	-
Treasury bills - 3 months	July 25, 2024	-	15,000	15,000	-	-	-	-	-
Treasury bills - 3 months	October 31, 2024	-	20,000	20,000	-	-	-	-	-
Treasury bills - 3 months	January 23, 2025	-	20,000	20,000	-	-	-	-	-
Treasury bills - 3 months*	May 29, 2025	-	25,000	-	25,000	24,621	24,618	(3)	15.42
Treasury bills - 6 months*	March 06, 2025	-	5,000	-	5,000	4,902	4,903	1	3.07
Treasury bills - 12 months	November 02, 2023	-	16,000	16,000	-	-	-	-	-
Treasury bills - 12 months	August 22, 2024	-	3,000	3,000	-	-	-	-	-
Treasury bills - 12 months	September 05, 2024	-	11,000	11,000	-	-	-	-	-
Treasury bills - 12 months	October 03, 2024	-	9,000	9,000	-	-	-	-	-
Treasury bills - 12 months*	October 17, 2024	-	4,000	-	4,000	3,859	3,875	16	2.43
Treasury bills - 12 months*	November 28, 2024	-	15,000	5,000	10,000	9,559	9,573	14	6.00
Treasury bills - 12 months*	December 26, 2024	-	10,000	-	10,000	9,469	9,495	26	5.95
<b>As at June 30, 2025</b>						<b>52,410</b>	<b>52,464</b>	<b>54</b>	
As at June 30, 2024						<b>12,824</b>	<b>12,827</b>	<b>3</b>	
----- (%) -----									

\* These market treasury bills carry effective yield at the rate ranging from 11.13% to 13.64% (2024: 21.43% to 22.78%) per annum.

6.4 ADVANCE AGAINST IPO

	Note	June 30, 2025	June 30, 2024
----- (Rupees in '000) -----			
Advance against subscription of term finance certificate		25,000	25,000
Less: Provision in respect of advance against subscription of Term Finance Certificates	6.4.1	(25,000)	(25,000)
		-	-

6.4.1 The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 09, 2008. Under the agreement, the issuer was required to complete the public offering by October 09, 2008. However, no public offering has been carried out by the issuer as at June 30, 2021. In addition, profit on the advance against subscription, due after six months from the date of subscription, was also not received by the Fund. During 2021, the advance against subscription was fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>6.5 Unrealised gain on remeasurement of investments at fair value through profit or loss - net</b>			
Market value as at June 30, 2025	6.1, 6.2 & 6.3	159,671	119,713
Less: Carrying value as at June 30,2025	6.1, 6.2 & 6.3	139,107	99,535
		<u>20,564</u>	<u>20,178</u>
<b>7. PROFIT RECEIVABLE</b>			
Dividend receivable		155	170
Mark-up accrued on bank deposits		2	109
Mark-up / return accrued on term finance certificates and sukuk		-	1,116
		<u>157</u>	<u>1,395</u>
<b>8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES</b>			
Security deposit with National Clearing Company of Pakistan Limited		2,500	2,500
Advance tax	8.1	375	383
Security deposit with Central Depository Company of Pakistan		100	100
Receivable from Management Company against selling and marketing expenses	9.4	-	738
Other receivable		700	700
		<u>3,675</u>	<u>4,421</u>

**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 upto tax year 2021.

	Note	June 30, 2025 (Rupees in '000)	June 30, 2024
<b>9. PAYABLE TO THE MANAGEMENT COMPANY</b>			
Remuneration payable to the Management Company	9.1	378	179
Sindh Sales Tax payable on Management Company's remuneration	9.2	57	23
Selling and marketing payable	9.4	-	99
Sales load payable		10	-
		<u>445</u>	<u>301</u>

**9.1** 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 2.5% (2024: 1.5% to 2.49%) 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% (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.
- 9.4** 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) -----	
<b>10. PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	10.1	30	20
Sindh Sales Tax payable on remuneration of the Trustee	10.2	5	3
		<b>35</b>	<b>23</b>

- 10.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund at the rate of 0.1% per annum of Net assets 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 on monthly in arrears.

- 10.2** The Provincial Government of Sindh 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.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
SECP fee payable	11.1	13	9

- 11.1** The Fund has charged SECP Fee at the rate of 0.085% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>12. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Federal Excise Duty	12.1	6,610	6,610
Withholding tax payable		1,343	1,353
Auditors' remuneration		484	425
Tax professional fee payable		150	128
Payable to brokers		76	51
Other payables		90	72
		<b>8,753</b>	<b>8,639</b>

- 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 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 with effect from July 1, 2016.

However, as a matter of prudence the provision for FED made for the period from January 13, 2013 to June 30, 2019 amounting to Rs. 6.610 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 net asset value of the Fund would have been higher by Rs. 7.9661 (June 30, 2024: Rs. 7.3349)

### 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
	----- (Number of units) -----	
<b>14. NUMBER OF UNITS IN ISSUE</b>		
Total units in issue at the beginning of the year	901,168	1,121,925
Units issued	1,108,727	303,415
Units redeemed	<u>(1,180,095)</u>	<u>(524,172)</u>
Total units in issue at the end of the year	<u>829,800</u>	<u>901,168</u>

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>15. AUDITORS' REMUNERATION</b>		
Annual audit fee	385	415
Fee for half yearly review	158	90
Other certifications	132	63
Out of pocket expenses	<u>53</u>	<u>-</u>
	<u>728</u>	<u>568</u>
Sales Tax	<u>58</u>	<u>45</u>
	<u>786</u>	<u>613</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 amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the NBFC Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains to the unit holders.

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.

**17. TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 4.71% (2024: 4.38%) which includes 0.55% (2024: 0.34%) representing government levies on the Fund such as sales taxes and SECP fee, etc. The prescribed limit for the ratio is 4.5% (2024: 4.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an 'balanced scheme'.

<b>18. CASH AND CASH EQUIVALENTS</b>	<b>Note</b>	<b>June 30, 2025</b>	<b>June 30, 2024</b>
----- (Rupees in '000) -----			
Bank balances	5	<b>22,595</b>	8,225
Market Treasury Bills - 3 months	6.3	<b>24,618</b>	12,827
		<b>47,213</b>	21,052

**19. TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES**

Related parties / connected persons include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor of the Management Company, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes and pension schemes managed by the Management Company, directors and key management persons 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.

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:

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>19.1 Transactions during the year</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee	3,977	1,835
Sales tax on remuneration	597	239
Allocated expenses	-	229
Selling and marketing expenses	-	243
Reimbursement of expenses from the Management Company	-	(738)
Dividend 16,880 units (2024: 44,419 units) - net	3,691	6,150
Issuance of 3 units (2024: 191,691 units)	1	23,000
Redemption of 226,178 units (2024: Nil units)	42,500	-
Amount received from Management Company against issuance to unitholders*	2	-
<b>Habib Bank Limited - Sponsor</b>		
Bank charges paid during the period	22	3
Mark-up earned during the period	613	260
Dividend income earned during the period	40	202
Purchase of 99,000 Shares (2024: 188,500 shares)	15,359	17,427
Sale of 104,000 Shares (2024: 242,500 Shares)	17,368	21,172
Sale of Market Treasury Bills	5,000	-
<b>Central Depository Company of Pakistan - Trustee</b>		
Trustee remuneration	318	206
Sales tax on remuneration	48	27
Central Depository service charges	26	39
<b>CDC Trustee HBL Cash Fund</b>		
Sale of Market Treasury Bills	-	16,013
<b>CDC Trustee HBL Financial Sector Income Fund - Plan I</b>		
Sale of Market Treasury Bills	-	8,585
<b>CDC Trustee HBL Islamic Income Fund</b>		
Sale of GOP Ijarah	-	18,000
Purchase of GOP Ijarah	-	5,000

\*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.

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>19.2 Amounts outstanding as at year end</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Management fee payable	378	179
Sales tax payable	57	23
Sales load payable	10	-
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-
Selling And Marketing expense payable	-	99
Receivable from Management Company against selling and marketing expenses	-	738
Investment held in the Fund: 426,986 units (2024: 636,281 units)	79,281	88,102



	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>Habib Bank Limited - Sponsor</b>		
Bank balances	5,011	1,160
Profit receivable on bank deposits	-	
Outstanding balance of Shares: Nil shares (2024: 5,000 shares)	-	620
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable	30	20
Sales tax payable	5	3
Security Deposit	100	100

## 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 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
<b>Level 1:</b>	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.
<b>Level 2:</b>	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.
<b>Level 3:</b>	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:

	June 30, 2025						
	Carrying amount			Fair Value			
	At Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>							
----- (Rupees in '000) -----							
<b>Financial assets measured at fair value</b>							
Listed equity securities	106,535	-	106,535	106,535	-	-	106,535
Market Treasury Bills	52,464	-	52,464	-	52,464	-	52,464
Term finance certificates and sukuk bonds	672	-	672	-	672	-	672
	<b>159,671</b>	<b>-</b>	<b>159,671</b>				
<b>Financial assets not measured at fair value</b>							
Bank balances	-	22,595	22,595				
Profit receivable	-	157	157				
Receivable against sale of investment	-	8,543	8,543				
Deposits and other receivable	-	3,300	3,300				
	<b>-</b>	<b>34,595</b>	<b>34,595</b>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	388	388				
Payable to the Trustee	-	30	30				
Dividend payable	-	262	262				
Payable against purchase of investment	-	31,060	31,060				
Accrued expenses and other liabilities	-	749	749				
	<b>-</b>	<b>32,489</b>	<b>32,227</b>				

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.

	June 30, 2024						
	Carrying amount			Fair Value			
	At Fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial instruments</b>							
----- (Rupees in '000) -----							
<b>Financial assets measured at fair value</b>							
Listed equity securities	87,477	-	87,477	87,477	-	-	87,477
Market Treasury Bills	12,827	-	12,827	-	12,827	-	12,827
Term finance certificates and sukuk bonds	5,409	-	5,409	-	5,409	-	5,409
	<b>105,713</b>	<b>-</b>	<b>105,713</b>				
<b>Financial assets not measured at fair value</b>							
Bank balances	-	8,225	8,225				
Profit receivable	-	1,395	1,395				
Deposits and other receivable	-	4,038	4,038				
	<b>-</b>	<b>13,658</b>	<b>13,658</b>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	278	278				
Payable to the Trustee	-	20	20				
Dividend payable	-	3	3				
Accrued expenses and other liabilities	-	633	633				
	<b>-</b>	<b>934</b>	<b>934</b>				

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 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. 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.

### 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 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, interest rate risk and other price risk.

### 21.2 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 its transactions are carried out in Pakistan Rupees.

### 21.3 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, investments in term finance certificates 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:

	Note	June 30, 2025 ----- (Rupees in '000) -----	June 30, 2024
<b>Variable rate instrument (financial asset)</b>			
Bank balances	5	22,595	8,225
Term finance certificates and sukuk bonds	6.2	672	19,409
		<u>23,267</u>	<u>27,634</u>
<b>Fixed rate instruments (financial assets)</b>			
Market Treasury Bills	6.3	52,464	12,827
		<u>75,731</u>	<u>40,461</u>

**a) Sensitivity analysis for variable rate instruments**

Presently, the Fund holds KIBOR based government securities, term finance, and 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 income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.23 million (2024: Rs. 0.28 million).

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest 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 year and net assets would be lower / higher by Rs. 0.53 million (2024: Rs. 0.13 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:

		June 30, 2025				
		Exposed to Yield / Interest rate risk				
Yield / effective interest rate		Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	Total
<b>On-balance sheet financial instruments</b>		----- % ----- (Rupees in '000) -----				
<b>Financial assets</b>						
Bank balances	9 to 10.5	22,595	-	-	-	22,595
Investments						
at fair value through profit and loss - net						
- Listed equity securities		-	-	-	106,535	106,535
- Market Treasury Bills	11.13 to 13.64	24,618	27,846	-	-	52,464
- Term finance certificates and sukuk bonds	12.41	672	-	-	-	672
		25,290	27,846	-	106,535	159,671
Profit receivable		-	-	-	157	157
Receivable against sale of investment		-	-	-	8,543	8,543
Deposits and other receivables		-	-	-	3,300	3,300
		47,885	27,846	-	118,535	194,266
<b>Financial liabilities</b>						
Payable to the Management Company		-	-	-	388	388
Payable to the Trustee		-	-	-	30	30
Dividend Payable		-	-	-	262	262
Payable against redemption of Units		-	-	-	31,060	31,060
Accrued expenses and other liabilities		-	-	-	749	749
		-	-	-	32,489	32,489

		June 30, 2024				
		Exposed to Yield / Interest rate risk				
Yield / effective interest rate		Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	Total
Financial Assets	----- % -----	----- (Rupees in '000) -----				
Financial assets						
Bank balances	19-22.5	8,225	-	-	-	8,225
Investments						
- Listed equity securities		-	-	-	87,477	87,477
- Market Treasury Bills	21.43 to 22.78	-	12,827	-	-	12,827
- Term finance certificates and sukuk bonds	20.39 to 23.24	19,409	-	-	-	19,409
		19,409	12,827	-	87,477	119,713
Profit receivable		-	-	-	1,395	1,395
Deposits and other receivables		-	-	-	4,038	4,038
		27,634	12,827	-	92,910	133,371
Financial liabilities						
Payable to the Management Company		-	-	-	278	278
Payable to the Trustee		-	-	-	20	20
Dividend payable		-	-	-	3	3
Accrued expenses and other liabilities		-	-	-	633	633
		-	-	-	934	934

#### 21.4 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. 5.33 million (2024: Rs. 4.37 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.

#### 21.5 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counterparty credit risks on investments in term finance certificates, 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 to rate its major counterparties. 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 investment in term finance certificate (note 6.2) 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. Counterparties 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	22,595	22,595	8,225	8,225
Investments in listed equity securities	106,535	106,535	87,477	87,477
Investments in market treasury bills	52,464	52,464	12,827	12,827
Investments in term finance certificates	672	672	5,409	5,409
Profit receivable	157	157	1,395	1,395
Deposits	3,300	3,300	4,038	4,038
Receivable against sale of investment	8,543	8,543	-	-
	<b>194,266</b>	<b>194,266</b>	119,371	119,371

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2025 and June 30, 2024:

**Bank balances by rating category**

Name of bank	Amount (Rupees in '000)	2025 Rating	Rating agency
Habib Bank Limited	5,011	AAA	VIS
MCB Bank Limited	47	AAA	PACRA
Zarai Taraqiati Bank Limited	1	AAA	VIS
Allied Bank Limited	136	AAA	PACRA
National Bank of Pakistan	13	AAA	PACRA
Habib Metropolitan Bank Limited	22	AA+	PACRA
Dubai Islamic Bank Pakistan Limited	8	AA	VIS
JS Bank Limited	28	AA	PACRA
Soneri Bank Limited	17,311	AA-	PACRA
Sindh Bank Limited	18	AA-	VIS
	<b>22,595</b>		

Bank balances by rating category	Amount (Rupees in '000)	2024 Rating	Rating agency
Name of bank			
Habib Bank Limited	1,160	AAA	VIS
MCB Bank Limited	41	AAA	PACRA
Zarai Taraqati Bank Limited	1	AAA	VIS
Allied Bank Limited	124	AAA	PACRA
National Bank of Pakistan	12	AAA	VIS
Habib Metropolitan Bank Limited	21	AA+	PACRA
Dubai Islamic Bank Pakistan Limited	8	AA	VIS
JS Bank Limited	25	AA-	PACRA
Soneri Bank Limited	6,817	AA-	PACRA
Sindh Bank Limited	16	AA-	VIS
	8,225		

Deposits are placed with National Clearing Company of Pakistan Limited (NCCPL) and Central Depository Company of Pakistan Limited (CDC) for the purpose of effecting transaction and settlement of listed securities. It is expected that all deposits with NCCPL and CDC will be clearly identified as being assets of the Fund, hence management believes that the Fund does not expect to incur credit losses with respect to these deposits.

#### 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 using the central clearing system.

### 21.6 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 Fund. 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.

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	22,595	-	-	-	-	22,595
Investments						
- Listed equity securities	106,535	-	-	-	-	106,535
- Market treasury bills	-	24,618	27,846	-	-	52,464
- Term Finance Securities	-	-	672	-	-	672
Profit receivable	157	-	-	-	-	157
Deposits and other receivables	3,300	-	-	-	-	3,300
Receivable against sale of investment	8,543	-	-	-	-	8,543
	<b>141,130</b>	<b>24,618</b>	<b>28,518</b>	<b>-</b>	<b>-</b>	<b>194,266</b>

**Financial liabilities**

Payable to the Management Company	388	-	-	-	-	388
Payable to the Trustee	30	-	-	-	-	30
Dividend Payable	262	-	-	-	-	262
Payable against redemption of Units	31,060	-	-	-	-	31,060
Accrued expenses and other liabilities	749	-	-	-	-	749
	<b>32,489</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,489</b>

**On-balance sheet gap**

**108,641    24,618    28,518    -    -    161,777**

**Total liquidity risk sensitivity gap**

**108,641    24,618    28,518    -    -    161,777**

**Cumulative liquidity risk sensitivity gap**

**108,641    133,259    161,777    161,777    161,777**

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	8,225	-	-	-	-	8,225
Investments						
- Listed equity securities	87,477	-	-	-	-	87,477
- Market treasury bills	-	12,827	-	-	-	12,827
- Term Finance Securities	-	-	5,409	-	-	5,409
Profit receivable	279	1,116	-	-	-	1,395
Deposits and other receivables	4,038	-	-	-	-	4,038
	<b>100,019</b>	<b>13,943</b>	<b>5,409</b>	<b>-</b>	<b>-</b>	<b>119,371</b>

**Financial liabilities**

Payable to the Management Company	278	-	-	-	-	278
Payable to the Trustee	20	-	-	-	-	20
Dividend Payable	3	-	-	-	-	3
Accrued expenses and other liabilities	633	-	-	-	-	633
	<b>934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>934</b>

**On-balance sheet gap**

**99,085    13,943    5,409    -    -    118,437**

**Total liquidity risk sensitivity gap**

**99,085    13,943    5,409    -    -    118,437**

**Cumulative liquidity risk sensitivity gap**

**99,085    113,028    118,437    118,437    118,437**



**22. UNIT HOLDERS' FUND RISK MANAGEMENT**

The Fund's capital is represented by 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 units issued by the Fund provides an investor with the right to require redemption for cash at a value proportionate to the unit holder's share in the Fund's net assets at the redemption date.

The Fund's objective in managing the unit holders' fund is to ensure a stable base to maximise returns to all investors and to manage liquidity risk arising from redemption. In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of investments.

**23. 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. Topline Securities Limited
3. Sherman Securities (Private) Limited
4. BMA Capital Management Limited
5. Darson Securities (Private) Limited
6. Spectrum Securities Limited
7. JS Global Capital Ltd
8. Fortune Securities Limited
9. Arif Habib Limited
10. DJM Securities Limited

Top ten brokers during the year ended June 30, 2024

1. Intermarket Securities Limited
2. Rafi Securities (Private) Limited
3. JS Global Capital Limited
4. BMA Capital Management Limited
5. Topline Securities (Private) Limited
6. Arif Habib Limited
7. Fortune Securities Limited
8. Insight Securities (Private) Limited
9. DJM Securities Limited
10. EFG Hermes Pakistan Limited

**24. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER**

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

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

**25. PATTERN OF UNIT HOLDING**

Category	As at June 30, 2025			
	Number of units holder	Number of units held	Investment amount	Percentage of Investment
			(Rupees in '000)	-----%-----
Individuals	259	372,837	69,226	44.93
Associated company	1	426,986	79,281	51.46
Retirement funds	2	1	-	0.00
Others	2	29,976	5,566	3.61
	<b>264</b>	<b>829,800</b>	<b>154,073</b>	<b>100.00</b>

Category	As at June 30, 2024			
	Number of unit holders	Number of units held	Investment amount	Percentage of Investment
			(Rupees in '000)	-----%-----
Individuals	196	236,096	32,691	26.20
Associated companies	2	636,281	88,102	70.61
Others	2	28,791	3,986	3.19
	<b>200</b>	<b>901,168</b>	<b>124,779</b>	<b>100.00</b>

**26. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS**

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			Meeting 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.

**27. 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.

**28. 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 August 28, 2025.

**29. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**



**HBL** Growth Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	HBL GROWTH FUND
<b>NAME OF AUDITOR</b>	A.F. Ferguson & Co.
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited.
<b>NAME OF BANKERS</b>	Allied Bank limited Habib Bank Limited Habib Metro Bank Limited HBL Micro Finance Bank Limited JS Bank Limited Khushali Micro Finance Bank Limited MCB Bank Limited Mobillink Micro Finance Bank Limited National Bank Limited Soneri Bank limited U Micro Finance Bank Limited Zarai Taraqiati Bank Limited

**Type and Category of Fund**

Equity / Open-end

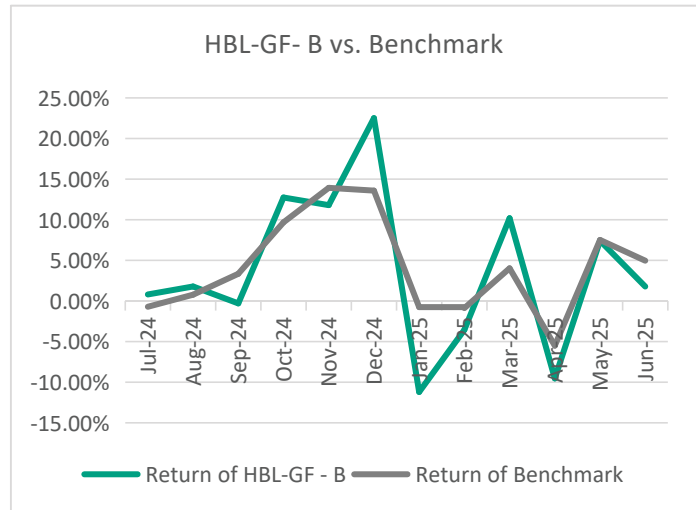
**Investment Objective and Accomplishment of Objective**

The objective of HBL Growth Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations. The Collective Investment Scheme achieved its stated objective.

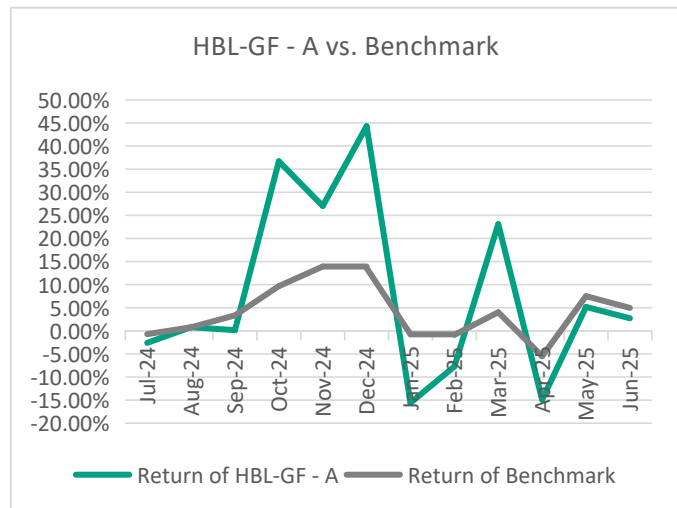
**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is KSE-100 Index.

Month	Return of Fund	
	GF -B	Benchmark
Jun-25	1.78%	4.96%
May-25	7.42%	7.51%
Apr-25	-9.54%	-5.50%
Mar-25	10.19%	4.02%
Feb-25	-3.55%	-0.88%
Jan-25	-11.20%	-0.76%
Dec-24	22.51%	13.59%
Nov-24	11.80%	13.93%
Oct-24	12.74%	9.68%
Sep-24	-0.30%	3.35%
Aug-24	1.78%	0.77%
Jul-24	0.80%	-0.71%



Month	Return of Fund	
	GF -A	Benchmark
Jun-25	2.73%	4.96%
May-25	5.17%	7.51%
Apr-25	-14.92%	-5.50%
Mar-25	23.11%	4.02%
Feb-25	-7.72%	-0.88%
Jan-25	-15.58%	-0.76%
Dec-24	44.30%	13.59%
Nov-24	27.03%	13.93%
Oct-24	36.71%	9.68%
Sep-24	0.15%	3.35%
Aug-24	0.79%	0.77%

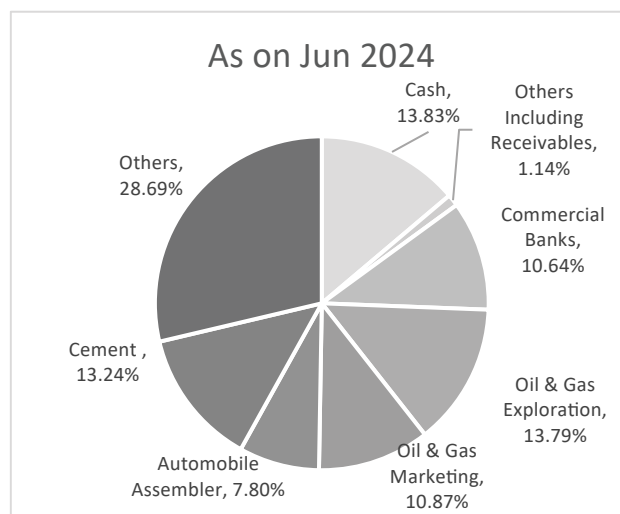
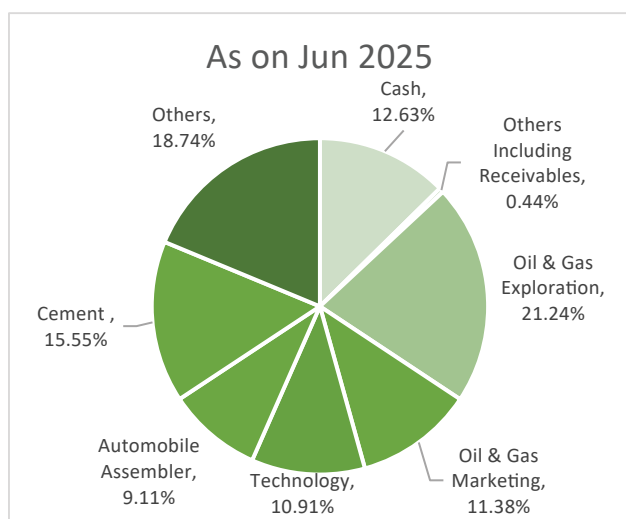


## Strategies and Policies employed during the Year

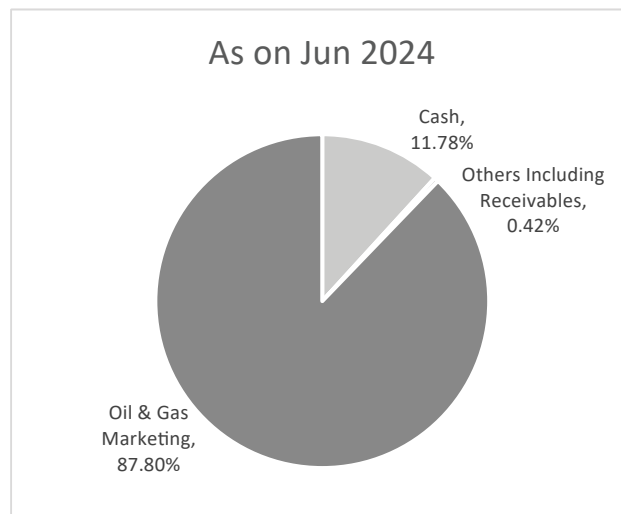
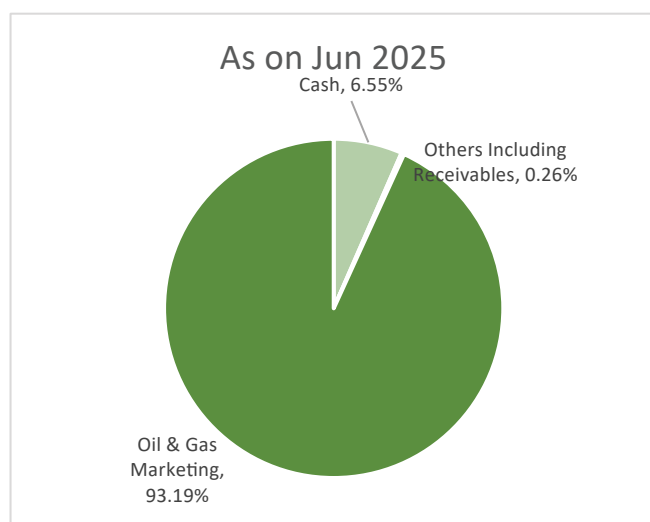
During the year under review, the Fund increased its exposure in equities for Growth Fund A and Growth Fund B from 87.80% and 85.03% on June 30, 2024 to 85.03% and 93.19% and 86.93% as on June 30, 2025 respectively. Furthermore, sector-wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in oil and gas exploration, oil and gas marketing, cement, automobile assembler, and technology was increased, while exposure in others was decreased.

### Asset Allocation

#### Growth - B



#### Growth - A



### Significant Changes in Asset Allocation during the Year

The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2025 and June 30, 2024:

#### HBL Growth Fund – B

Sector Name	As on Jun 2025	As on Jun 2024
Cash	12.63%	13.83%
Others Including Receivables	0.44%	1.14%
Commercial Banks		10.64%
Oil & Gas Exploration	21.24%	13.79%
Oil & Gas Marketing	11.38%	10.87%
Technology	10.91%	
Automobile Assembler	9.11%	7.80%
Cement	15.55%	13.24%
Others	18.74%	28.69%
Total	100.00%	100.00%

#### HBL Growth Fund – A

Sector Name	As on Jun 2025	As on Jun 2024
Cash	6.55%	11.78%
Others Including Receivables	0.26%	0.42%
Oil & Gas Marketing	93.19%	87.80%
Total	100.00%	100.00%

#### Fund Performance

Effective from July 2, 2018 the Fund has been converted into an open-ended Equity Fund as per the duly approved Conversion Plan. This matter is fully disclosed in respective notes to the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 1.34 billion and Rs. 1.07 billion respectively during the year under review. The fund size of the fund stood at Rs. 14.37 billion as on June 30, 2025.

Performance review of each class is presented below:

#### HBL Growth Fund – Class ‘A’

HBL Growth Fund – Class ‘A’ earned a total income and net income of Rs. 483.44 million and Rs. 320.20 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 42.2869 per unit as on June 30, 2025 (after incorporating dividend of Rs. 1.05 per unit) as compared to Rs. 19.9485 as at June 30, 2024, thereby giving a return of 117.23%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘A’ was Rs. 11.99 billion as on June 30, 2025 as compared to Rs. 5.66 billion at the start of the year.

#### HBL Growth Fund – Class ‘B’

HBL Growth Fund – Class ‘B’ earned a total and net income of Rs. 860.47 million and Rs. 751.0414 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 31.5798 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.25 per unit) as compared to Rs. 21.5925 as at June 30, 2024, thereby giving a return of 47.41%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘B’ was Rs. 2.38 billion as on June 30, 2025 as compared to Rs. 1.50 billion at the start of the year.



## Market Review

In FY25, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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 approved Rs.1.05 dividend per unit to the unit holders for the year ended June 30, 2025 from HBL Growth Fund Class 'A'.

The Board of Directors approved dividend of up-to Rs. 0.25 per unit for the year ended June 30, 2025 from HBL Growth Fund Class 'B'.

## Significant Changes in the State of Affairs

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

## Breakdown of Certificate Holding by Size

From – To (No. of Certificates)	No. of Certificate Holders (Class 'A' Units)	Total No. of Certificates Held (Class 'A' Units)	No. of Certificate Holders (Class 'B' Units)	Total No. of Certificates Held (Class 'B' Units)
1 – 100	489	24,617	878	23,725
101 – 500	2,655	709,756	2,634	688,497
501 – 1,000	1,062	827,923	1,054	772,073
1,001 – 10,000	3178	10,947,818	3,186	10,603,643
10,001 – 100,000	893	23,710,618	733	17,247,165
500,001 – 1,000,000	82	17,762,195	3	2,170,346
100,001 – 500,000	18	13,524,312	52	8,266,335
1,000,001 – 5,000,000	9	19,691,921	1	1,306,952
5,000,001 and above	13	196,300,840	3	34,336,572
Total	8,399	283,500,000	8,544	75,415,306

## Certificate Splits

There were no unit splits during the year.

## Circumstances materially affecting the Interest of Certificate 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 GROWTH FUND As at June 30, 2025

	2025		2024		2023		2022		2021		2020	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Net assets at the period end(Rs'000)	11,988,341	2,381,604	5,655,386	1,498,821	3,897,444	908,211	5,500,143	1,047,498	6,843,722	1,860,878	5,126,450	1,504,866
<b>NET ASSETS VALUE PER UNIT/CERTIFICATE AT 30 JUNE - RUPEES</b>	42.2869	31.5798	19.9485	21.5925	13.7476	12.2463	19.4009	12.8951	24.1401	19.9069	18.0827	15.2116
Redemption - Class B unit type B	-	31.5798	-	21.5925	-	12.2463	-	12.8951	-	19.9069	-	15.2116
Redemption - Class B unit type C	-	31.5798	-	21.5925	-	12.2463	-	12.8951	-	19.9069	-	15.2116
Offer - Class B unit type C	-	32.3061	-	22.0805	-	12.5231	-	13.1865	-	20.3558	-	15.5554
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>												
Highest offer price per unit - Class B unit type C	-	35.8614	-	23.7792	-	13.9866	-	20.5463	-	20.7254	-	20.8505
Lowest offer price per unit - Class B unit type C	-	22.2688	-	13.2441	-	11.5078	-	13.1311	-	15.7388	-	13.0756
Highest redemption price per unit - Class B unit type B	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	20.2674	-	20.3897
Lowest redemption price per unit - Class B unit type B	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	15.4699	-	12.8091
Highest redemption price per unit - Class B unit type C	-	35.0551	-	23.2537	-	13.6775	-	20.0922	-	20.2674	-	20.3897
Lowest redemption price per unit - Class B unit type C	-	21.6615	-	12.9514	-	11.2535	-	12.8409	-	15.4699	-	12.7866
<b>RETURN (%)</b>												
* Total return	117.23%	47.41%	49.62%	89.24%	-22.95%	-5.03%	19.63%	-35.22%	33.50%	30.86%	5.74%	-2.62%
Income distribution	5.26%	1.16%	5.46%	11.84%	1.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.45%
Capital growth	122.49%	47.41%	55.08%	89.24%	-21.75%	-5.03%	19.63%	-35.22%	33.50%	30.86%	5.74%	-3.07%
<b>DISTRIBUTION</b>												
First Interim dividend distribution	1.05 <sup>*</sup>	0.25	0.75 <sup>*</sup>	1.45	1.20%	-	-	-	-	-	-	0.45
Date of Income Distribution	2025-06-27	2025-06-27	2024-06-28	2024-06-28	30-06-2023	-	-	-	-	-	-	26-Jun-20
Total dividend distribution for the year/ period	1.05	0.25	0.75	1.45	0.012	-	-	-	-	-	-	0.45
<b>AVERAGE RETURNS (%)</b>												
Average annual return 1 year	117.23%	47.41%	49.62%	89.24%	-22.95%	-5.03%	-19.63%	-35.22%	33.50%	30.86%	5.74%	-2.62%
Average annual return 2 year	80.28%	67.02%	7.37%	34.06%	-21.31%	-21.56%	3.58%	-7.93%	18.81%	12.89%	-15.80%	-9.67%
Average annual return 3 year	35.80%	38.37%	-2.51%	5.20%	-6.15%	-6.97%	4.30%	-6.19%	-1.82%	2.21%	N/A	N/A
<b>PORTFOLIO COMPOSITION - (%)</b>												
Percentage of Total Assets as at 30 June:												
Bank Balances	6.55%	12.63%	11.12%	13.83%	19%	22%	8%	21%	3%	17%	5%	17%
Govt / Jarah Sukuks	-	-	-	-	-	-	-	-	-	-	-	-
Placement with Banks and DFIs	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Sukuks	-	-	-	-	-	-	-	-	-	-	-	-
Stock / Equities	93.19%	86.93%	87.80%	85.03%	81%	66%	91%	78%	96%	80%	94%	82%
Others	0.27%	0.44%	0.42%	1.14%	1%	12%	0%	1%	0%	3%	0%	1%

**Note:**

The Fund converted to open end fund on July 02, 2018

\* Since conversion from Closed-End to Open-End

**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

HBL GF	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

**Head Office:**

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL GROWTH 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 Growth 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



**INDEPENDENT AUDITOR'S REPORT**

**To the Unit holders of HBL Growth Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HBL Growth 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	<p><b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)</p> <p>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. 1,077.577 million and Rs. 13,851.016 million respectively.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

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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.

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- 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.  
Chartered Accountants  
Karachi

Dated: September 26, 2025

UDIN: AR202510061HJNVcaLdG

**HBL Growth Fund**  
**Statement of Assets and Liabilities**  
AS AT JUNE 30, 2025

	2025			2024			
	Class A	Class B	Total	Class A	Class B	Total	
Note ----- Rupees in '000 -----							
<b>ASSETS</b>							
Bank balances	4	807,048	270,529	1,077,577	694,513	250,899	945,412
Investments	5	11,487,814	2,363,202	13,851,016	5,177,387	1,547,634	6,725,021
Dividend and profit receivable	6	32,841	9,042	41,883	23,590	5,175	28,765
Advances and deposits	7	1,213	4,831	6,044	1,236	4,835	6,071
Receivable from HBL Asset Management Limited - Management Company	8	-	9,199	9,199	-	11,157	11,157
<b>Total assets</b>		<u>12,328,916</u>	<u>2,656,803</u>	<u>14,985,719</u>	<u>5,896,726</u>	<u>1,819,700</u>	<u>7,716,426</u>
<b>LIABILITIES</b>							
Payable to HBL Asset Management Limited - Management Company	9	11,408	133,527	144,935	10,836	131,034	141,870
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,258	363	1,621	638	255	893
Payable to the Securities and Exchange Commission of Pakistan	11	942	183	1,125	457	120	577
Accrued expenses and other liabilities	12	4,532	5,675	10,207	27,244	18,004	45,248
Dividend payable		322,435	3,958	326,393	202,165	39,819	241,984
Unclaimed dividend		-	131,493	131,493	-	131,647	131,647
<b>Total liabilities</b>		<u>340,575</u>	<u>275,199</u>	<u>615,774</u>	<u>241,340</u>	<u>320,879</u>	<u>562,219</u>
<b>NET ASSETS</b>		<u>11,988,341</u>	<u>2,381,604</u>	<u>14,369,945</u>	<u>5,655,386</u>	<u>1,498,821</u>	<u>7,154,207</u>
<b>UNIT HOLDERS' FUND</b> (AS PER STATEMENT ATTACHED)		<u>11,988,341</u>	<u>2,381,604</u>	<u>14,369,945</u>	<u>5,655,386</u>	<u>1,498,821</u>	<u>7,154,207</u>
<b>CONTINGENCIES AND COMMITMENTS</b>							
	13	-----Number of units-----		-----Number of units-----			
<b>NUMBER OF UNITS IN ISSUE</b>	17	<u>283,500,000</u>	<u>75,415,306</u>	<u>283,500,000</u>	<u>69,414,008</u>		
		-----Rupees-----		-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>		<u>42.2869</u>	<u>31.5798</u>	<u>19.9485</u>	<u>21.5925</u>		

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 Growth Fund**  
**Income Statement**  
For the year ended June 30, 2025

	Note	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----							
<b>INCOME</b>							
Dividend income		392,584	84,756	477,340	220,104	104,499	324,603
Profit on savings accounts with banks		88,895	39,936	128,831	139,385	61,981	201,366
Gain on sale of investments - net		-	518,632	518,632	-	359,832	359,832
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss'	5.1.2.2	-	217,141	217,141	-	305,854	305,854
		-	735,773	735,773	-	665,686	665,686
Other Income		1,963	-	1,963	-	-	-
<b>Total income</b>		<b>483,442</b>	<b>860,465</b>	<b>1,343,907</b>	<b>359,489</b>	<b>832,166</b>	<b>1,191,655</b>
<b>EXPENSES</b>							
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	9.1 & 9.2	133,179	87,140	220,319	93,442	35,728	129,170
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh Sales Tax)	9.3	6,831	2,377	9,208	30,321	5,206	35,527
Selling and marketing expenses (including Sindh Sales Tax)	9.4	-	-	-	-	8,646	8,646
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	10.1 & 10.2	11,851	2,551	14,401	7,191	1,828	9,019
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	9,235	1,998	11,233	5,224	1,215	6,439
Securities transaction costs		-	22,043	22,043	-	17,475	17,475
Auditors' remuneration	14	1,180	345	1,525	1,175	311	1,486
Fees and subscription		961	1,234	2,195	715	1,226	1,941
Settlement and bank charges		2	562	564	257	345	602
Reimbursement of expenses from HBL Asset Management Limited - Management Company		-	(9,199)	(9,199)	-	(11,157)	(11,157)
<b>Total expenses</b>		<b>163,239</b>	<b>109,051</b>	<b>272,290</b>	<b>138,325</b>	<b>60,823</b>	<b>199,148</b>
<b>Net income for the year before taxation</b>		<b>320,203</b>	<b>751,414</b>	<b>1,071,617</b>	<b>221,164</b>	<b>771,343</b>	<b>992,507</b>
Taxation	16	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		<b>320,203</b>	<b>751,414</b>	<b>1,071,617</b>	<b>221,164</b>	<b>771,343</b>	<b>992,507</b>
<b>Allocation of income for the year</b>							
Net income for the year after taxation		320,203	751,414		221,164	771,343	
Income already paid on redemption of units		-	(200,683)		-	(86,114)	
		<u>320,203</u>	<u>550,731</u>		<u>221,164</u>	<u>685,229</u>	
<b>Accounting income available for distribution</b>							
- Relating to capital gains		-	519,774		-	585,858	
- Excluding capital gains		320,203	30,957		221,164	99,371	
		<u>320,203</u>	<u>550,731</u>		<u>221,164</u>	<u>685,229</u>	

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 Growth Fund**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	2025			2024			
	Class A	Class B	Total	Class A	Class B	Total	
	Rupees in '000						
<b>Net income for the year after taxation</b>	320,203	751,414	1,071,617	221,164	771,343	992,507	
<b>Items that will not be reclassified to income statement</b>							
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income'	5.1.1.2	6,310,427	-	6,310,427	1,749,403	-	1,749,403
<b>Total comprehensive income for the year</b>	<u>6,630,630</u>	<u>751,414</u>	<u>7,382,044</u>	<u>1,970,567</u>	<u>771,343</u>	<u>2,741,910</u>	

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 Growth Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

2025							
Class A					Class B		
Capital value	Accumulated losses	Unrealised appreciation on revaluation of fair value through OCI	Premium on issue of certificates	Total	Capital value	Undistributed income	Total

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

**Net assets at beginning of the year** 2,835,000 (2,944,436) 3,757,010 2,007,812 5,655,386 (600,335) 2,099,156 1,498,821

Issuance of Class A: nil units (2024: nil units)  
and Class B: 46,581,236 units (2024: 8,220,762 units)  
- Capital value (at net asset value per unit at  
the beginning of the year)

-	-	-	-	-	1,005,805	-	1,005,805
-	-	-	-	-	345,048	-	345,048

- Element of income  
**Total proceeds on issuance of units**

-	-	-	-	-	1,350,853	-	1,350,853
---	---	---	---	---	-----------	---	-----------

Redemption of Class A: nil units (2024: nil units)  
and Class B: 40,579,938 units (2024: 12,968,910 units)  
- Capital value (at net asset value per unit at  
the beginning of the year)

-	-	-	-	-	(876,222)	-	(876,222)
-	-	-	-	-	(123,822)	(200,683)	(324,505)

- Element of loss  
**Total payments on redemption of units**

-	-	-	-	-	(1,000,044)	(200,683)	(1,200,727)
---	---	---	---	---	-------------	-----------	-------------

Total comprehensive income for the year 320,203 6,310,427 - 6,630,630 - 751,414 751,414

Distribution for the year ended June 30, 2025 (cash  
distribution @ Re. 1.05 per unit declared  
on June 30, 2025) of Class A

-	(297,675)	-	-	(297,675)	-	-	-
---	-----------	---	---	-----------	---	---	---

Distribution For the year ended June 30, 2025 (cash  
distribution @ Rs. 0.25 per unit declared  
on June 27, 2025) of Class B

-	-	-	-	-	-	(15,589)	(15,589)
---	---	---	---	---	---	----------	----------

Refund of capital

-	-	-	-	-	(3,168)	-	(3,168)
---	---	---	---	---	---------	---	---------

Net income for the year less distribution  
and refund of capital

-	22,528	6,310,427	-	6,332,955	(3,168)	735,825	732,657
---	--------	-----------	---	-----------	---------	---------	---------

**Net assets at the end of the year** 2,835,000 (2,921,908) 10,067,437 2,007,812 11,988,341 (252,694) 2,634,298 2,381,604

**Accumulated (loss) / undistributed income brought  
forward comprising of:**

- Realised (loss) / income	(2,944,436)					1,793,302	
- Unrealised income	-					305,854	
	(2,944,436)					2,099,156	

**Accounting income available for distribution:**

- Relating to capital gains	-					519,774	
- Excluding capital gains	320,203					30,957	

**Net income available for distribution**

	320,203					550,731	
--	---------	--	--	--	--	---------	--

Distribution for the year

	(297,675)					(15,589)	
--	-----------	--	--	--	--	----------	--

**Accumulated (loss) / undistributed income carried forward**

	(2,921,908)					2,634,298	
--	-------------	--	--	--	--	-----------	--

**Accumulated (loss) / undistributed income carried  
forward comprising of:**

- Realised (loss) / income	(2,921,908)					2,417,157	
- Unrealised income	-					217,141	
	(2,921,908)					2,634,298	

**Net asset value per unit at the beginning of the year** (Rupees) 19.9485 (Rupees) 21.5925

**Net asset value per unit at the end of the year** (Rupees) 42.2869 (Rupees) 31.5798

**Note:** Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

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 Growth Fund**  
**Statement Of Movement In Unit Holders' Fund**  
For the year ended June 30, 2025

	2024							
	Class A					Class B		
	Capital value	Accumulated losses	Unrealised appreciation on revaluation of fair value through OCI	Premium on issue of certificates	Total	Capital value	Undistributed income	Total
	-----Rupees in '000-----							
<b>Net assets at beginning of the year</b>	2,835,000	(2,952,975)	2,007,607	2,007,812	3,897,444	(603,409)	1,511,620	908,211
Issuance of Class A: nil units (2023: nil units) and Class B: 8,220,762 units (2023: 126,588 units)								
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	100,674	-	100,674
- Element of income	-	-	-	-	-	73,246	-	73,246
<b>Total proceeds on issuance of units</b>						173,920	-	173,920
Redemption of Class A: nil units (2023: nil units) and Class B: 12,968,910 units (2023: 7,196,831 units)								
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	(158,821)	-	(158,821)
- Element of loss	-	-	-	-	-	(11,886)	(86,114)	(98,000)
<b>Total payments on redemption of units</b>						(170,707)	(86,114)	(256,821)
Total comprehensive income for the year	-	221,164	1,749,403	-	1,970,567	-	771,343	771,343
Distribution For the year ended June 30, 2025 (cash distribution @ Re. 0.75 per unit declared on June 28, 2024) of Class A	-	(212,625)	-	-	(212,625)			
Distribution For the year ended June 30, 2025 (cash distribution @ Rs. 1.45 per unit declared on June 28, 2024) of Class B	-	-	-	-	-	-	(97,693)	(97,693)
Refund of capital	-	-	-	-	-	(139)	-	(139)
Net income for the year less distribution and refund of capital	-	8,539	1,749,403	-	1,757,942	(139)	673,650	673,511
<b>Net assets at the end of the year</b>	<b>2,835,000</b>	<b>(2,944,436)</b>	<b>3,757,010</b>	<b>2,007,812</b>	<b>5,655,386</b>	<b>(600,335)</b>	<b>2,099,156</b>	<b>1,498,821</b>
<b>Accumulated (loss) / undistributed income brought forward comprising of:</b>								
- Realised (loss) / income		(2,952,975)					1,205,766	
- Unrealised income		-					305,854	
		(2,952,975)					1,511,620	
<b>Accounting income available for distribution:</b>								
- Relating to capital gains		-					585,858	
- Excluding capital gains		221,164					99,371	
<b>Net income available for distribution</b>		221,164					685,229	
Distribution for the year		(212,625)					(97,693)	
<b>Accumulated (loss) / undistributed income carried forward</b>		<b>(2,944,436)</b>					<b>2,099,156</b>	
<b>Accumulated (loss) / undistributed income carried forward comprising of:</b>								
- Realised (loss) / income		(2,944,436)					1,793,302	
- Unrealised income		-					305,854	
		<b>(2,944,436)</b>					<b>2,099,156</b>	
						(Rupees)		(Rupees)
<b>Net asset value per unit at the beginning of the year</b>								
<b>Net asset value per unit at the end of the year</b>								

**Note:** Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

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 Growth Fund**  
**Statement of Cash Flow**  
For the year ended June 30, 2025

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
<b>Note</b> -----Rupees in '000 -----						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the year before taxation	320,203	751,414	1,071,617	221,164	771,343	992,507
<b>Adjustments for:</b>						
Dividend income	(392,584)	(84,756)	(477,340)	(220,104)	(104,499)	(324,603)
Profit on savings accounts with banks	(88,895)	(39,936)	(128,831)	(139,385)	(61,981)	(201,366)
Gain on sale of investments - net	-	(518,632)	(518,632)	-	(359,832)	(359,832)
Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.1.2.2	-	(217,141)	-	(305,854)	(305,854)
	(161,276)	(109,051)	(270,327)	(138,325)	(60,823)	(199,148)
<b>Decrease / (increase) in assets</b>						
Investments- net	-	(79,795)	(79,795)	-	5,879	5,879
Advances and deposits	23	4	27	(20)	(707)	(727)
Receivable from HBL Asset Management Limited - Management Company	-	1,958	1,958	-	(5,262)	(5,262)
	23	(77,833)	(77,810)	(20)	(90)	(110)
<b>(Decrease) / increase in liabilities</b>						
Payable to HBL Asset Management Limited - Management Company	572	2,493	3,065	3,120	1,292	4,412
Payable to Central Depository Company of Pakistan Limited - Trustee	620	108	728	157	70	227
Payable to the Securities and Exchange Commission of Pakistan	485	63	548	(530)	(69)	(599)
Accrued expenses and other liabilities	(22,712)	(12,329)	(35,041)	(13,233)	14,966	1,733
Unclaimed dividend	-	(154)	(154)	-	(94)	(94)
	(21,035)	(9,819)	(30,854)	(10,486)	16,165	5,679
Dividend received	390,303	86,150	476,453	218,394	103,069	321,463
Profit received on savings accounts with banks	81,925	34,675	116,600	141,832	62,341	204,173
<b>Net cash generated from / (used in) operating activities</b>	<b>289,940</b>	<b>(75,878)</b>	<b>214,062</b>	<b>211,395</b>	<b>120,662</b>	<b>332,057</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts against issuance and conversion of units- net	-	1,347,685	1,347,685	-	173,781	173,781
Payment against redemption and conversion of units	-	(1,200,727)	(1,200,727)	-	(256,821)	(256,821)
Cash dividend paid	(177,405)	(51,450)	(228,855)	(310,918)	(57,874)	(368,792)
<b>Net cash (used in) / generated from financing activities</b>	<b>(177,405)</b>	<b>95,508</b>	<b>(81,897)</b>	<b>(310,918)</b>	<b>(140,914)</b>	<b>(451,832)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>112,535</b>	<b>19,630</b>	<b>132,165</b>	<b>(99,523)</b>	<b>(20,252)</b>	<b>(119,775)</b>
Cash and cash equivalents at beginning of the year	694,513	250,899	945,412	794,036	271,151	1,065,187
<b>Cash and cash equivalents at end of the year</b>	<b>4.2</b>	<b>807,048</b>	<b>270,529</b>	<b>1,077,577</b>	<b>694,513</b>	<b>250,899</b>
		<b>945,412</b>		<b>945,412</b>		

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 Growth Fund (The Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 02, 2004 , as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited ("the Management Company") and Central Depository Company of Pakistan Limited ("the Trustee"). 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 has been registered under the "Sindh Trust Act, 2020".
- 1.2** The Management Company of the Fund has been registered as a 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 located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.3** The objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has Frozen Portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.
- 1.5** The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an Open End Scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The plan was also approved by the SECP on February 16, 2018.
- 1.6** The replacement trust deed and replacement offering document were approved by the SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to following for each certificate held:
- One Class-A unit of the Fund was issued to every certificate holder of the Fund for each certificate held representing frozen portfolio and related assets and liabilities.
  - One Class-B unit of the Fund was issued to the every certificate holder of the Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.
- 1.7** The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B units can be redeemed at the redemption price.
- 1.8** VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating to 'AM-I' dated December 31, 2024 (2024: 'AM-I' dated December 29, 2023) and the outlook on the rating has been assigned as 'Stable' (2024: 'Stable'). Further the fund is not rated by any credit rating agency as of June 30, 2025.
- 1.9** The 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 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.

### **2.2 Standards, interpretations and amendments to 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 detailed in these financial statements."

### **2.3 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 the effective date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in accordance with the accounting and reporting standards 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 3.2 and 5).

## **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. 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 21.

## **2.6 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.

## **3 MATERIAL ACCOUNTING POLICY INFORMATION**

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

### **3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortised cost. These comprise of balances with banks in savings account.

### **3.2 Financial Assets**

#### **3.2.1 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.

#### **3.2.2 Classification and subsequent measurement**

##### **3.2.2.1 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 interest in the issuer's net assets.



All equity investments are required to be measured in the “Statement of Assets and Liabilities” at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as 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.

### **3.2.2.2 Debt instruments**

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

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 FVPL. 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 FVPL.

### **3.2.2.3 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.

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.

### **3.2.2.4 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.

#### **3.2.2.5 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.

#### **3.2.2.6 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 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.

### **3.3 Financial liabilities**

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.

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

### **3.4 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.

### **3.5 Provisions**

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

### **3.6 Net asset value per unit**

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### **3.7 Issuance and redemption of units**

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that date. The redemption price is equal to NAV as of the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction cost, if applicable.

### **3.8 Distribution to the unit holders**

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

### **3.9 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 will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### **3.10 Revenue recognition**

- Realized gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which these arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on saving accounts with bank and income from government securities are recognised on a time proportion basis using the effective yield method.

### **3.11 Expenses**

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

### 3.12 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 percent of its 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	BANK BALANCES	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	Savings accounts	4.1	807,048	270,529	1,077,577	694,513	250,899	945,412

4.1 These include a balance of Rs. 2.309 million (2024: Rs.2.309 million) with Habib Bank Limited (a related party) carrying profit at the rate 11.11% (2024: 19% to 21.15%) per annum, Rs. 849.98 million (2024: Rs. 704.536 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.25% (2024: 20.25% to 22.95%) and Rs. 180.38 million (2024: Rs. 163.662 million) with MCB Bank Limited (a related party) carrying profit at the rate of 7.48% (2024: 18%). Other saving accounts of the Fund carry profit at the rates ranging from 9% to 9.5% (2024: 19.50% to 21.50%) per annum.

4.2	CASH AND CASH EQUIVALENTS	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----							
	Balances with banks	807,048	270,529	1,077,577	694,513	250,899	945,412

5	INVESTMENTS	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	<b>At fair value through other comprehensive income</b>							
	- Quoted equity securities	5.1.1 & 5.1.4	11,487,814	-	11,487,814	5,177,387	-	5,177,387
	<b>At fair value through profit or loss</b>							
	- Quoted equity securities	5.1.2, 5.1.3 & 5.1.4	-	2,363,202	2,363,202	-	1,547,634	1,547,634
			<u>11,487,814</u>	<u>2,363,202</u>	<u>13,851,016</u>	<u>5,177,387</u>	<u>1,547,634</u>	<u>6,725,021</u>

#### 5.1 Quoted equity securities

##### 5.1.1 Class A - At fair value through other comprehensive income

Name of the Investee Company	As at July 1, 2024	Purchased during the year	Bonus / rights issue	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 as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investment	net assets of the Fund of Class A	
-----Rupees in '000----- (%)-----											
<b>CLASS A</b>											
<b>Oil and Gas Marketing Companies</b>											
Pakistan State Oil Company Limited (5.1.4)	27,364,904	-	-	-	27,364,904	1,307,982	10,331,072	9,023,090	89.93%	86.18%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	1,156,742	1,044,347	10.07%	9.65%	1.56%
						<u>1,420,377</u>	<u>11,487,814</u>	<u>10,067,437</u>	100%	96%	
Total as at June 30, 2025						<u>1,420,377</u>	<u>11,487,814</u>	<u>10,067,437</u>			
Total as at June 30, 2024						<u>1,420,377</u>	<u>5,177,387</u>	<u>3,757,010</u>			

5.1.1.1 The above mentioned Class A shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, does not apply to the above frozen shares.

**5.1.1.2 Net unrealised appreciation on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income'**

	Note	Class A	
		2025	2024
----- Rupees in '000 -----			
Market value of investments	5.1.1	11,487,814	5,177,387
Less: cost of investments	5.1.1	(1,420,377)	(1,420,377)
		10,067,437	3,757,010
Add: changes in fair value of investments disposed of during the year		-	-
Less: net unrealised appreciation in the fair value of investments at the beginning of the year		3,757,010	2,007,607
Less: amount of appreciation pertaining to disposed of securities		-	-
		3,757,010	2,007,607
		6,310,427	1,749,403

**5.1.2 Class B - At fair value through profit or loss**

Name of the Investee Company	As at July 1, 2024	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2025	Carrying Value as at June 30, 2025	Market value as at June 30, 2025	Unrealized (diminution) as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of	net assets of the Fund of	
						----- (Rupees in '000) -----		----- (%) -----			
<b>Automobile Assembler</b>											
Ghandhara Automobiles Limited	-	1,231,555	-	932,555	299,000	145,875	112,834	(33,041)	4.78%	4.74%	0.52%
Ghandhara Industries Limited	-	992,943	-	785,643	207,300	143,424	134,834	(8,590)	5.71%	5.66%	0.49%
Honda Atlas Cars (Pakistan) Limited	214,500	-	-	214,500	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	97,500	-	-	97,500	-	-	-	-	-	-	-
						289,299	247,668	(41,631)			
<b>Automobile Parts &amp; Accessories</b>											
Loads Limited	-	750,000	-	750,000	-	-	-	-	-	-	-
<b>Power Generation &amp; Distribution</b>											
The Hub Power Company Limited	637,500	175,000	-	637,500	175,000	24,803	24,117	(686)	1.02%	1.01%	0.01%
						24,803	24,117	(686)	1.02%	1.01%	
<b>Cement</b>											
Attock Cement Pakistan Limited	-	450,467	-	201,500	248,967	72,817	72,848	31	3.08%	3.06%	0.36%
Cherat Cement Company Limited	-	474,500	-	474,500	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	1,097,500	1,553,001	-	2,030,501	620,000	76,135	102,647	26,512	4.35%	4.31%	0.14%
Fauji Cement Company Limited (5.13)	1,994,000	3,573,000	-	3,267,000	2,300,000	75,012	102,741	27,729	4.35%	4.31%	0.09%
Gharibwal Cement Limited	-	2,754,145	-	2,754,145	-	-	-	-	-	-	-
Kohat Cement Company Limited	-	18,100	-	18,100	-	-	-	-	-	-	-
Lucky Cement Limited (5.1.2.1)	-	181,500	-	181,500	-	-	-	-	-	-	-
Maple Leaf Cement Limited (5.13)	1,884,000	4,467,500	-	4,638,500	1,713,000	79,960	144,372	64,412	6.11%	6.06%	0.16%
Pioneer Cement Company Limited	147,000	62,200	-	209,200	-	-	-	-	-	-	-
Power Cement Limited	-	5,700,000	-	5,700,000	-	-	-	-	-	-	-
Thatta Cement Company Limited	-	491,000	-	491,000	-	-	-	-	-	-	-
						303,924	422,608	118,684			
<b>Commercial Banks</b>											
Askari Bank Limited	-	1,574,500	-	-	1,574,500	69,923	77,623	7,700	3.29%	3.26%	0.11%
Bank Al Habib Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
Faysal Bank Limited (5.1.4)	17,250	-	-	-	17,250	905	1,203	298	0.00%	0.00%	0.00%
Habib Bank Limited	297,000	696,875	-	920,875	73,000	12,015	13,081	1,066	0.55%	0.55%	0.00%
MCB Bank Limited	-	65,000	-	-	65,000	18,135	18,742	607	0.79%	0.79%	0.01%
Meezan Bank Limited	145,000	-	-	145,000	-	-	-	-	-	-	-
United Bank Limited (5.1.2.1)	472,900	150,500	-	623,400	-	-	-	-	-	-	-
National Bank Of Pakistan (5.13)	-	1,975,767	-	1,110,767	865,000	67,176	94,017	26,841	3.98%	3.95%	0.04%
						168,154	204,666	36,512			
<b>Engineering</b>											
Crescent Steel & Allied Products Limited	-	301,500	-	301,500	-	-	-	-	-	-	-
<b>Fertilizer</b>											
Engro Fertilizer Limited	785,000	259,040	-	1,044,040	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	424,365	-	424,365	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	1,049,419	-	1,049,419	-	-	-	-	-	-	-
<b>Food &amp; Personal Care Products</b>											
The Organic Meat Company Limited	-	1,531,000	-	1,531,000	-	-	-	-	-	-	-
<b>Insurance</b>											
Jubilee Life Insurance Company Limited	122,500	-	-	122,500	-	-	-	-	-	-	-
TPL Insurance Limited (5.1.4)	191,637	-	-	169,392	22,245	319	221	(98)	0.01%	0.01%	0.01%
						319	221	(98)			

# HBL Growth 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 / rights issue	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 30,	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of	net assets of the Fund of	
						----- (Rupees in '000) -----			----- (%) -----		
<b>Paper, Board &amp; Packaging</b>											
SPEL Limited (formerly known as Synthetic Products Enterprises Limited) (5.1.2.1)	-	4,128,823	-	4,128,823	-	-	-	-	-	-	-
<b>Oil &amp; Gas Exploration Companies</b>											
Oil & Gas Development Company Limited (5.13)	961,000	1,004,000	-	916,500	1,048,500	189,391	231,257	41,866	9.79%	9.71%	0.02%
Mari Energies Limited (5.13)	-	601,313	-	410,113	191,200	96,855	119,861	23,006	5.08%	5.03%	0.02%
Pakistan Petroleum Limited (5.13)	1,032,500	1,612,791	-	1,315,791	1,329,500	205,825	226,241	20,416	9.58%	9.50%	0.05%
						492,071	577,359	85,288			
<b>Oil &amp; Gas Marketing Companies</b>											
Pakistan State Oil Company Limited (5.13)	620,500	988,541	-	1,152,541	456,500	147,542	172,342	24,800	7.30%	7.24%	0.10%
Sui Northern Gas Pipelines Limited (5.13)	1,490,000	2,435,076	-	2,750,076	1,175,000	117,424	137,134	19,710	5.81%	5.76%	0.19%
Sui Southern Gas Company Limited	-	7,423,500	-	7,423,500	-	-	-	-	-	-	-
						264,966	309,476	44,510			
<b>Pharmaceuticals</b>											
BF Biosciences Limited (5.1.2.1)	-	999,494	-	647,063	352,431	80,892	59,455	(21,437)	2.52%	2.50%	0.40%
Glaxosmithkline Pakistan Limited	-	234,500	-	234,500	-	-	-	-	-	-	-
The Searle Company Limited (5.1.4)	4,907	-	-	-	4,907	280	430	150	0.02%	0.02%	0.00%
						81,172	59,885	(21,287)			
<b>Property</b>											
TPL Properties Limited	2,498,266	5,206,734	-	7,705,000	-	-	-	-	-	-	-
						-	-	-			
<b>Refinery</b>											
Attock Refinery Limited	158,500	694,557	-	692,794	160,263	104,695	108,886	4,191	4.61%	4.57%	0.15%
National Refinery Limited	294,000	-	-	294,000	-	-	-	-	-	-	-
Pakistan Refinery Limited (5.13)	-	3,985,000	-	2,480,500	1,504,500	56,127	51,048	(5,079)	2.16%	2.14%	0.24%
						160,822	159,934	(888)			
<b>Technology &amp; Communication</b>											
Air Link Communication Limited	-	398,000	-	398,000	-	-	-	-	-	-	-
Avanceon Limited	-	565,500	-	565,500	-	-	-	-	-	-	-
Netsol Technologies Limited	306,000	407,000	-	713,000	-	-	-	-	-	-	-
Systems Limited (5.1.2.1)	-	500,000	-	-	500,000	52,336	53,570	1,234	2.27%	2.25%	0.03%
TPL Trakker Limited	11,625,500	4,335,397	-	339,110	15,621,787	111,212	111,383	171	4.72%	4.68%	8.34%
Pakistan Telecommunication Company Limited	-	8,756,755	-	3,583,755	5,173,000	132,744	131,601	(1,143)	5.57%	5.53%	0.14%
						296,292	296,554	262			
<b>Textile Composite</b>											
Nishat Mills Limited	-	1,064,500	-	1,064,500	-	-	-	-	-	-	-
						-	-	-			
<b>Cable and Electrical Goods</b>											
Pak Elektron Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
						-	-	-			
<b>Inv. Bank/Inv. Companies/Securities Co.</b>											
Engro Holdings Limited	-	353,796	-	143,796	210,000	36,891	38,338	1,447	1.62%	1.61%	0.02%
Pakistan Stock Exchange Limited	-	2,628,000	-	1,828,000	800,000	27,348	22,376	(4,972)	0.95%	0.94%	0.10%
						64,239	60,714	(3,525)			
<b>Transport</b>											
Secure Logistics Group Limited	-	700,000	-	700,000	-	-	-	-	-	-	-
						-	-	-			
<b>Total as at June 30, 2025</b>						<b>2,146,061</b>	<b>2,363,202</b>	<b>217,141</b>			
<b>Total as at June 30, 2024</b>						<b>1,241,780</b>	<b>1,547,634</b>	<b>305,854</b>			

### 5.1.2.1 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 -----			
BF Biosciences Limited	3.00	-	-
Lucky Cement Limited	2.00	On April 28, 2025 from Rs. 10 to Rs. 2 per share	-
Systems Limited	2.00	On June 2, 2025 from Rs. 10 to Rs. 2 per share	-
United Bank Limited	5.00	On June 22, 2025 from Rs. 10 to Rs. 5 per share	-
SPEL Limited (formerly known as Synthetic Products Enterprises Limited)	5.00	-	-

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

Note	Class B	
	2025	2024
	----- Rupees in '000 -----	
Market value of investments	2,363,202	1,547,634
Less: carrying value of investments	(2,146,061)	(1,241,780)
	<u>217,141</u>	<u>305,854</u>

**5.1.3** The above investments in Class B 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 Securities and Exchange Commission of Pakistan. The details of shares which have been pledged are as follows:

	-----2025-----		-----2024-----	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Habib Bank Limited	-	-	15,000	1,860
Fauji Cement Company Limited	1,020,000	45,563	-	-
D.G. Khan Cement Company Limited	-	-	20,000	1,805
Maple Leaf Cement Factory Limited	770,000	64,896	30,000	1,140
Mari Energies Limited	126,000	78,988	-	-
Meezan Bank Limited	-	-	140,000	33,515
Mughal Iron & Steel Industries Limited	-	-	-	-
National Bank of Pakistan	110,000	11,956	-	-
Oil and Gas Development Company Limited	428,000	94,400	400,000	54,148
Pakistan Petroleum Limited	327,000	55,646	200,000	23,422
Pakistan State Oil Company Limited	252,500	95,326	120,000	19,945
Pakistan Refinery Limited	367,000	12,452	-	-
The Hub Power Company Limited	-	-	269,000	43,869
TPL Trakker Limited	-	-	-	-
Sui Northern Gas Pipelines Limited	500,000	58,355	-	-
United Bank Limited	-	-	10,000	2,562
	<u>3,900,500</u>	<u>517,582</u>	<u>1,204,000</u>	<u>182,266</u>

**5.1.4** The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were 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, the 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, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable 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 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 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 since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2025, the following bonus shares of sub fund A and sub fund B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the Company	Class A			
	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	

Pakistan State Oil Company Limited	228,041	86,092	228,041	37,900
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Name of the Company	Class B			
	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	4,907	414	4,907	280
TPL Insurance Limited	1,637	15	1,637	23
Faysal Bank Limited	17,250	1,018	17,250	904
	23,794	1,447	23,794	1,207

6	DIVIDEND AND PROFIT RECEIVABLE	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
		Rupees in '000					
	Dividend receivable	13,968	202	14,170	11,687	1,596	13,283
	Profit receivable on bank balances	18,873	8,840	27,713	11,903	3,579	15,482
		32,841	9,042	41,883	23,590	5,175	28,765

7	ADVANCES AND DEPOSITS	2025			2024		
	Security deposits with:						
	- Central Depository Company of Pakistan Limited	-	175	175	-	175	175
	- National Clearing Company of Pakistan Limited	100	2,749	2,849	100	2,749	2,849
	Advance tax	1,113	1,907	3,020	1,136	1,911	3,047
		1,213	4,831	6,044	1,236	4,835	6,071

**7.1** 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 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 by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs. 3.020 million (2024: Rs. 3.047 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 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.

8	RECEIVABLE FROM HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
			-----Rupees in '000-----					
	Reimbursement from the Management Company	9.1	-	9,199	9,199	-	11,157	11,157

**8.1** As per SECP's direction No. SCD/PRDD/Direction/18/2016 all AMCs are required to calculate the TER in respect of each Collective Investment Scheme (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's Class B was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as equity scheme. As a result the Fund has recorded receivable from the Management Company to comply with the TER limit.

9	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
			-----Rupees in '000-----					
	Remuneration payable	9.1	9,920	7,151	17,071	7,240	3,796	11,036
	Sindh Sales Tax payable on remuneration of the Management Company	9.2	1,488	1,073	2,561	941	493	1,434
	Allocation of expenses relating to registrar services, accounting, operation and valuation services payable	9.3	-	-	-	2,655	-	2,655
	Selling and marketing expenses payable	9.4	-	-	-	-	1,442	1,442
	Federal excise duty payable on the remuneration of the Management Company	9.5	-	125,303	125,303	-	125,303	125,303
			<u>11,408</u>	<u>133,527</u>	<u>144,935</u>	<u>10,836</u>	<u>131,034</u>	<u>141,870</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 management fee ranging from 1% to 1.5% (2024: 1.5%) and ranging from 3% to 3.7%(2024: 2% to 3%) of the daily net assets of the Fund for Class A and Class B , respectively 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, 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.

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

**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 currently charged such expenses at the rate of 0.55% and 0.7% (2024: 0.55% and ranging from 0% to 0.67% for Class A and Class B respectively) of the daily net assets of the Fund for Class A and Class B, respectively until September 8, 2024 subject to the total expense charged being lower than actual expense incurred.

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.

**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 charged selling and marketing expenses at the rate of nil (2024: nil) for Class A and at the rate of nil (2024: 0% to 1.05%) for Class B during the year ended June 30, 2025 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.

**9.4.1** As per the instructions of SECP via letter No. SCD/AMCW/HBLAML/9/2020 dated October 19, 2020, the Management Company ceased to charge selling and marketing expenses to the certificate holders of Class A with effect from November 01, 2020.

**9.5** 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 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. 125.303 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 per unit of the Fund for Class B would have been higher by Rs 1.662 (2024: Rs 1.805).

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	Remuneration payable to the Trustee	10.1	1,094	275	1,369	565	212	777
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	164	41	205	73	28	101
	CDS charges payable		-	47	47	-	15	15
			<u>1,258</u>	<u>363</u>	<u>1,621</u>	<u>638</u>	<u>255</u>	<u>893</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 remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets (Rs.)	Fee
- Up to Rs 1,000 million	0.2% of the Net Assets
- Exceeding Rs 1,000 million	Rs. 2.0 million plus 0.1% p.a. of Net Assets, on amount exceeding Rs.1,000 million.

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 from July 1, 2024 vide Sindh Finance Act, 2024.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
----- (Rupees in '000) -----								
	Fee payable	11.1	<u>942</u>	<u>183</u>	<u>1,125</u>	<u>457</u>	<u>120</u>	<u>577</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). Accordingly, the Fund has charged SECP fee at the rate of 0.095% per annum (2024: 0.095%) 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.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	Brokerage expense payable		-	526	526	-	252	252
	Auditors' remuneration payable		868	306	1,174	768	220	988
	National Clearing Company Pakistan Limited charges payable		-	106	106	-	30	30
	Withholding tax payable		1,394	3,411	4,805	26,433	16,523	42,956
	Zakat payable		2,177	137	2,314	-	114	114
	Other payables		93	1,189	1,282	43	865	908
			<u>4,532</u>	<u>5,675</u>	<u>10,207</u>	<u>27,244</u>	<u>18,004</u>	<u>45,248</u>

**13 CONTINGENCIES AND COMMITMENTS**

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

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
<b>14 AUDITORS' REMUNERATION</b>	Rupees in '000					
Annual audit fee	480	127	607	369	98	467
Half yearly review	320	85	404	246	65	311
Other certifications and out of pocket expenses	294	107	401	473	125	598
	1,093	319	1,412	1,088	288	1,376
Sales tax	87	26	113	87	23	110
	1,180	345	1,525	1,175	311	1,486

**15 TOTAL EXPENSES RATIO**

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 is 1.68% and 5.18% (2024: 2.52% and 4.75%) which includes 0.3% and 0.79% (June 30, 2024: 0.31% and 0.59%) representing government levies on the Fund such as Sales Taxes, annual fee to the SECP etc for Class A and B respectively. This maximum ratio limit as prescribed under the NBFC Regulations for a collective investment scheme categorised as an 'Equity scheme' is 4.5% which is required to be complied on an annual basis by the Fund. As more fully disclosed in note 8, TER of Fund's Class B was in breach as per the prescribed regulations. Therefore, to comply with the regulations, the Fund has recorded a receivable from the Management Company amounting to Rs. 9.199 million (2024: 11.157 million)

During the year ended June 30, 2025, the SECP, vide S.R.O.600(1)/2025 dated April 10, 2025, has removed the Total Expense Ratio Caps (TER) with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 9.1 to the 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 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, accordingly 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		
	Class A	Class B	Total	Class A	Class B	Total
<b>17 NUMBER OF UNITS IN ISSUE</b>						
Total outstanding as of July 1	283,500,000	69,414,008	352,914,008	283,500,000	74,162,156	357,662,156
Add: issued during the year	-	46,581,236	46,581,236	-	8,220,762	8,220,762
Less: redeemed during the year	-	40,579,938	40,579,938	-	12,968,910	12,968,910
Total units in issue as of June 30	283,500,000	75,415,306	358,915,306	283,500,000	69,414,008	352,914,008

**18 TRANSACTION 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, 2008 and the Trust Deed.

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 the terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the offering document, trust deed and the NBFC regulations and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

18.1	Transactions during the year	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----							
<b>HBL Asset Management Limited - Management Company</b>							
	Remuneration of the Management registrar services, accounting, Management Company	133,179	87,140	220,319	93,442	35,728	129,170
		6,831	2,377	9,208	30,321	5,206	35,527
		-	(9,199)	(9,199)	-	(11,157)	(11,157)
	Selling and marketing expenses	-	-	-	-	8,646	8,646
<b>Habib Bank Limited - Sponsor</b>							
	Dividend income	-	1,134	1,134	-	8,098	8,098
	Bank profit	-	-	-	-	203	203
<b>HBL Microfinance Bank Limited (formerly: The First Microfinance Bank) - Associated Company</b>							
	Bank profit	49,625	2,923	52,548	128,195	2,302	130,497
<b>MCB Bank Limited - Treasury - connected person due to holding more than 10% units</b>							
	Dividend paid	45,657	-	45,657	32,612	-	-
	Bank profit	-	15,612	15,612	-	42,009	42,009
<b>Central Depository Company of Pakistan Limited - Trustee</b>							
	Trustee remuneration	11,851	2,551	14,401	7,191	1,828	9,019
	CDS charges	-	549	549	-	294	294
	CDC annual listing fee	-	7	7	-	136	136

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
Rupees in '000						
<b>Pakistan Reinsurance Company Limited- Connected person - due to holding more than 10% units</b>						
Issuance of 29,320 (2024: nil) units	-	998	998	-	-	-
Dividend paid	31,927	21,750	53,677	22,805	21,750	44,555
<b>State Life Corporation of Pakistan - connected person due to holding more than 10% units</b>						
Issuance of 98,330 (2024: nil) units	-	3,096	3,096	-	-	-
Dividend paid	12,626	-	12,626	9,019	17,958	26,977
<b>CDC - Trustee National Investment (Unit) Trust - Associated Undertaking</b>						
Dividend paid	6,790	-	6,790	4,850	-	4,850
<b>Jubilee General Insurance Company Limited - Associated Company</b>						
Issuance of 236 (2024: 8,340) units	-	8	8	-	180	180
Dividend paid	-	39	39	-	211	211
<b>Directors and Executives of the Management Company</b>						
Issuance of 165,980 (2024: 1027) units	-	5,458	-	-	22	22
Redemption of 165,941 (2024: nil) units	-	5,256	-	-	-	-
Dividend Paid	19	5	24	14	26	40
<b>18.2 Balances outstanding as at year end</b>						
<b>HBL Asset Management Company Limited - Management Company</b>						
Remuneration payable to the Management Company	9,920	7,151	17,071	7,240	3,796	11,036
Sindh sales tax on Remuneration payable to the Management Company	1,488	1,073	2,561	941	493	1,434
Allocated expenses payable relating to registrar services, accounting, operation and valuation services	-	-	-	2,655	-	2,655
Selling and marketing expenses payable of the Management Company	-	-	-	-	1,442	1,442
	-	125,303	125,303	-	125,303	125,303
<b>Habib Bank Limited - Sponsor</b>						
Banks balance	-	2,309	2,309	-	2,309	2,309
<b>HBL Microfinance Bank Limited (formerly: The First Microfinance Bank) - Associated Company</b>						
Banks balances	798,319	51,664	849,983	670,508	34,028	704,536
Profit receivable	1,935	138	2,073	11,673	591	12,264
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Remuneration payable to CDC	1,094	275	1,369	565	212	777
Sindh sales tax on Remuneration payable to CDC	164	41	205	73	28	101
Security deposit with trustee	-	175	175	-	175	175
CDS charges payable	-	47	47	-	15	15

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000 -----						
<b>Pakistan Reinsurance Company</b>						
<b>Limited- Connected person - due to holding more than 10% units</b>						
Outstanding 30,406,721 (2024: 30,406,721) units at par value	1,285,806	-	1,285,806	211,935	-	211,935
Outstanding 15,029,320 (2024: 15,000,000) units	-	474,623	474,623	-	323,888	323,888
<b>State Life Corporation of Pakistan</b>						
<b>- connected person due to holding more than 10% units</b>						
Outstanding 12,024,904 (2024: 12,024,904) units	508,496	-	508,496	239,878	-	239,878
Outstanding 12,482,993 (2024: 12,384,663) units	-	394,210	394,210	-	267,416	267,416
<b>MCB Bank Limited - Treasury</b>						
<b>- connected person due to holding more than 10% units</b>						
Banks balances	4	180,373	180,377	5	163,657	163,662
Profit receivable	-	5,852	5,852	-	2,309	2,309
Outstanding 43,482,858 (2024: 43,482,858) units at par value	1,838,755	-	1,838,755	303,076	-	303,076
<b>CDC - Trustee National Investment (Unit) Trust - Associated Undertaking</b>						
Outstanding 6,466,800 (2024: 6,466,800) units at par value	273,461	-	273,461	45,074	-	45,074
<b>Jubilee General Insurance Company Limited - Associated Company</b>						
Outstanding 154,700 (2024: 154,464) units	-	4,885	4,885	-	3,335	3,335
<b>Directors and Executives of the Management Company</b>						
Outstanding 18,000 (2024: 18,000) units at par value	761	-	761	125	-	125
Outstanding 19,066 (2024: 19,027) units	-	602	602	-	411	411

19 FINANCIAL INSTRUMENTS BY CATEGORY

-----Class A-----		
-----As on June 30, 2025-----		
At amortised cost	At fair value through other comprehensive income	Total
-----Rupees in '000-----		
807,048	-	807,048
-	11,487,814	11,487,814
32,841	-	32,841
100	-	100
<u>839,989</u>	<u>11,487,814</u>	<u>12,327,803</u>

**Financial assets**

Bank balances

Investments

Dividend and profit receivable

Deposits

-----Class A-----		
-----As on June 30, 2025-----		
At amortised cost	At fair value through other comprehensive	Total
-----Rupees in '000-----		

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Accrued expenses and other liabilities

Dividend payable

11,408	-	11,408
1,258	-	1,258
961	-	961
322,435	-	322,435
<u>336,062</u>	<u>-</u>	<u>336,062</u>

-----Class B-----		
-----As on June 30, 2025-----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		

**Financial assets**

Bank balances

Investments

Dividend and profit receivable

Deposits

Receivable from HBL Asset Management Limited - Management Company

270,529	-	270,529
-	2,363,202	2,363,202
9,042	-	9,042
2,924	-	2,924
9,199	-	9,199
<u>291,694</u>	<u>2,363,202</u>	<u>2,654,896</u>

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company

Payable to Central Depository Company of Pakistan Limited - Trustee

Accrued expenses and other liabilities

Dividend Payable

Unclaimed dividend

133,527	-	133,527
363	-	363
2,021	-	2,021
3,958	-	3,958
131,493	-	131,493
<u>271,362</u>	<u>-</u>	<u>271,362</u>



**Financial assets**

Bank balances	694,513	-	694,513
Investments	-	5,177,387	5,177,387
Dividend and profit receivable	23,590	-	23,590
Deposits	100	-	100
	<u>718,203</u>	<u>5,177,387</u>	<u>5,895,590</u>

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company	10,836	-	10,836
Payable to Central Depository Company of Pakistan Limited - Trustee	638	-	638
Accrued expenses and other liabilities	811	-	811
Dividend payable	202,165	-	202,165
	<u>214,450</u>	<u>-</u>	<u>214,450</u>

Class A		
As on June 30, 2024		
At amortised cost	At fair value through other comprehensive	Total
Rupees in '000		
694,513	-	694,513
-	5,177,387	5,177,387
23,590	-	23,590
100	-	100
<u>718,203</u>	<u>5,177,387</u>	<u>5,895,590</u>

**Financial assets**

Bank balances	250,899	-	250,899
Investments	-	1,547,634	1,547,634
Dividend and profit receivable	5,175	-	5,175
Deposits	2,924	-	2,924
Receivable from HBL Asset Management Limited - Management Company	11,157	-	11,157
	<u>270,155</u>	<u>1,547,634</u>	<u>1,817,789</u>

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company	5,731	-	5,731
Payable to Central Depository Company of Pakistan Limited - Trustee	255	-	255
Accrued expenses and other liabilities	1,337	-	1,337
Dividend payable	39,819	-	39,819
Unclaimed dividend	131,647	-	131,647
	<u>178,789</u>	<u>-</u>	<u>178,789</u>

Class B		
As on June 30, 2024		
At amortised cost	At fair value through profit or loss	Total
Rupees in '000		
250,899	-	250,899
-	1,547,634	1,547,634
5,175	-	5,175
2,924	-	2,924
11,157	-	11,157
<u>270,155</u>	<u>1,547,634</u>	<u>1,817,789</u>

**20 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.

## 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 Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

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

### (i) 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 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 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 profit and net assets of the Class A for the year ended would have been higher / lower by Rs. 8.08 million (2024: Rs. 6.95 million) and the net profit and net assets of the Class B for the year ended would have been higher / lower by Rs. 2.70 million (2024: Rs. 2.52 million).

### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025, the Fund does not hold any fixed rate instrument that may expose the Fund to fixed 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 interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

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--						
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	More than one year			
%	Rupees in '000					
<b>CLASS A</b>						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7.48% to 11.25%	807,048	-	-	-	807,048
Investments		-	-	-	11,487,814	11,487,814
Dividend and profit receivable		-	-	-	32,841	32,841
Deposits		-	-	-	100	100
		807,048	-	-	11,520,755	12,327,803
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company		-	-	-	11,408	11,408
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,258	1,258
Accrued expenses and other liabilities		-	-	-	961	961
Dividend payable		-	-	-	322,435	322,435
		-	-	-	336,062	336,062
<b>On-balance sheet gap (a)</b>		<b>807,048</b>	<b>-</b>	<b>-</b>	<b>11,184,693</b>	<b>11,991,741</b>
<b>Off-balance sheet financial instruments</b>						
		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a+b)</b>		<b>807,048</b>	<b>-</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>807,048</b>	<b>807,048</b>	<b>807,048</b>		
<b>CLASS B</b>						
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7.48% to 11.25%	270,529	-	-	-	270,529
Investments		-	-	-	2,363,202	2,363,202
Dividend and profit receivable		-	-	-	9,042	9,042
Deposits		-	-	-	2,924	2,924
Receivable from HBL Asset Management Limited - Management Company		-	-	-	9,199	9,199
		270,529	-	-	2,384,367	2,654,896
<b>Financial liabilities</b>						
Payable to HBL Asset Management Limited - Management Company		-	-	-	133,527	133,527
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	363	363
Accrued expenses and other liabilities		-	-	-	2,021	2,021
Dividend payable		-	-	-	3,958	3,958
Unclaimed dividend		-	-	-	131,493	131,493
		-	-	-	271,362	271,362
<b>On-balance sheet gap (a)</b>		<b>270,529</b>	<b>-</b>	<b>-</b>	<b>2,113,005</b>	<b>2,383,534</b>
<b>Off-balance sheet financial instruments</b>						
		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a+b)</b>		<b>270,529</b>	<b>-</b>	<b>-</b>		
<b>Cumulative interest rate sensitivity gap</b>		<b>270,529</b>	<b>270,529</b>	<b>270,529</b>		

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		
CLASS A	Rupees in '000				
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	19% to 22.95%	694,513	-	-	694,513
Investments		-	-	5,177,387	5,177,387
Dividend and profit receivable		-	-	23,590	23,590
Deposits		-	-	100	100
		694,513	-	5,201,077	5,895,590
<b>Financial liabilities</b>					
Payable to HBL Asset Management Limited - Management Company		-	-	10,836	10,836
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	638	638
Accrued expenses and other liabilities		-	-	811	811
Dividend payable		-	-	202,165	202,165
		-	-	214,450	214,450
<b>On-balance sheet gap (a)</b>		694,513	-	4,986,627	5,681,140
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		694,513	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		694,513	694,513	694,513	
CLASS B					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	18% to 22%	250,899	-	-	250,899
Investments		-	-	1,547,634	1,547,634
Dividend and profit receivable		-	-	5,175	5,175
Deposits		-	-	2,924	2,924
Receivable from HBL Asset Management Limited - Management Company		-	-	11,157	11,157
Receivable against sale of investments		-	-	-	-
		250,899	-	1,566,890	1,817,789
<b>Financial liabilities</b>					
Payable to HBL Asset Management Limited - Management Company		-	-	5,731	5,731
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	255	255
Accrued expenses and other liabilities		-	-	1,337	1,337
Dividend payable		-	-	39,819	39,819
Unclaimed dividend		-	-	131,647	131,647
		-	-	178,789	178,789
<b>On-balance sheet gap (a)</b>		250,899	-	1,388,101	1,639,000
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		250,899	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		250,899	250,899	250,899	

**(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 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 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 also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets. However, relaxation in this regard has been obtained from the regulators in respect of frozen investments classified as fair value through comprehensive income as disclosed in note 5.1.1.

In case of 5% increase / decrease in the fair value of the Fund's Class A equity securities on June 30, 2025, net assets of the Fund would have increased / decreased by Rs. 574.391 million (2024: Rs. 258.869 million) as a result of gains / losses on equity securities in 'at fair value through other comprehensive income' category, with corresponding effect on other comprehensive income reported in 'Statement of comprehensive income'.

In case of 5% increase / (decrease) in the fair value of the Fund's Class B equity securities on June 30, 2025, net assets of the Fund would have increased / (decreased) by Rs. 118.160 million (2024: Rs. 77.382 million).

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 the management company'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 100 index, is expected to change over the 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.

**20.2 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 the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and 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.

As per the NBFC regulations, the fund can borrow in the short term to ensure settlement subject to the minimum limit which is fifteen percent of the net assets up to 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 ended June 30, 2025.

The Fund has a policy to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off. The Fund's listed securities are considered readily realisable, as these are listed on the Pakistan Stock Exchange Limited.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market.

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

----- Class A -----						
2025						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000-----						
Payable to HBL Asset Management Limited - Management Company	11,408	-	-	-	-	11,408
Payable to Central Depository Company of Pakistan Limited - Trustee	1,258	-	-	-	-	1,258
Accrued expenses and other liabilities	93	868	-	-	-	961
Dividend payable	322,435	-	-	-	-	322,435
	335,194	868	-	-	-	336,062

----- Class B -----						
2025						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000-----						
Payable to HBL Asset Management Limited - Management Company	133,527	-	-	-	-	133,527
Payable to Central Depository Company of Pakistan Limited - Trustee	363	-	-	-	-	363
Accrued expenses and other liabilities	1,715	306	-	-	-	2,021
Dividend payable	3,958	-	-	-	-	3,958
Unclaimed dividend	131,493	-	-	-	-	131,493
	271,056	306	-	-	-	271,362

----- Class A -----						
2024						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total
----- Rupees in '000-----						
Payable to HBL Asset Management Limited - Management Company	10,836	-	-	-	-	10,836
Payable to Central Depository Company of Pakistan Limited - Trustee	638	-	-	-	-	638
Accrued expenses and other liabilities	43	768	-	-	-	811
Dividend payable	202,165	-	-	-	-	202,165
	213,682	768	-	-	-	214,450

Class B						
2024						
Within 1 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 5 years	Financial instruments with no fixed maturity	Total

Rupees in '000

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company	5,731	-	-	-	-	5,731
Payable to Central Depository Company of Pakistan Limited - Trustee	255	-	-	-	-	255
Accrued expenses and other liabilities	1,117	220	-	-	-	1,337
Dividend payable	39,819	-	-	-	-	39,819
Unclaimed dividend	131,647	-	-	-	-	131,647
	178,569	220	-	-	-	178,789

**20.3 Credit risk**

**20.3.1** 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	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
Rupees in '000				
<b>CLASS A</b>				
Bank balances	807,048	807,048	694,513	694,513
Investments	11,487,814	-	5,177,387	-
Dividend and profit receivable	32,841	32,841	23,590	23,590
Deposits	100	100	100	100
	<u>12,327,803</u>	<u>839,989</u>	<u>5,895,590</u>	<u>718,203</u>
<b>CLASS B</b>				
Bank balances	270,529	270,529	250,899	250,899
Investments	2,363,202	-	1,547,634	-
Dividend and profit receivable	9,042	9,042	5,175	5,175
Deposits	2,924	2,924	2,924	2,924
Receivable from HBL Asset Management Limited - Management Company	9,199	9,199	11,157	11,157
	<u>2,654,896</u>	<u>291,694</u>	<u>1,817,789</u>	<u>270,155</u>

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 and have been excluded from the above analysis.

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.

### 20.3.2 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 receivable thereon, dividend receivable and receivable against sale of units. The credit rating profile of balances with banks is as follows:

	Class A		Class B	
	2025	2024	2025	2024
<b>Class A</b>	----- % -----		----- % -----	
AAA	0.06%	0.022%	7.46%	0.06%
AA+	0.0001%	0.0002%	0.000%	0.000%
AA	0.00%	0.75%	0.00%	0.32%
AA-	0.14%	0.00%	1.017%	0.00%
A+	6.49%	18.14%	2.04%	10.87%
A	0.000%	0.001%	0.000%	0.000%
A-	0.00%	0.13%	0.00%	0.00%
B	0.001%	0.00%	0.002%	0.00%
	<u>6.70%</u>	<u>19.04%</u>	<u>10.52%</u>	<u>11.26%</u>

### 20.3.3 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.

## 21 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 statement of assets and liabilities 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:

Class A	Note	2025			
		Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>At fair value through other comprehensive income</b>					
Quoted equity securities	5.1.1	11,487,814	-	-	11,487,814
<b>Class B</b>					
<b>At fair value through profit or loss</b>					
Quoted equity securities	5.1.2	2,363,202	-	-	2,363,202
Class A	Note	2024			
		Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----					
<b>At fair value through other comprehensive income</b>					
Quoted equity securities	5.1.1	5,177,387	-	-	5,177,387
<b>Class B</b>					
<b>At fair value through profit or loss</b>					
Quoted equity securities	5.1.2	1,547,634	-	-	1,547,634

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.

## 22 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 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 20, 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.

**23 UNIT HOLDING PATTERN OF THE FUND**

Category	-----Class A-----			
	-----2025-----			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
	Rupees in '000'			
Associated Undertaking and Director	2	6,484,800	274,222	2.29%
NIT and ICP	6	3,000	127	0.00%
Individuals	8,053	120,580,807	5,098,989	42.53%
Foreign Individuals	459	25,546,163	1,080,268	9.01%
Banks, DFI and NBF	13	53,326,824	2,255,026	18.81%
Insurance Companies	4	42,445,625	1,794,894	14.97%
Mutual Fund	1	62,512	2,643	0.02%
Modarba	1	15,000	634	0.01%
Others	68	35,012,619	1,480,580	12.35%
Foreign Companies	2	22,650	958	0.01%
	<u>8,609</u>	<u>283,500,000</u>	<u>11,988,341</u>	<u>100%</u>

Category	-----Class B-----			
	-----2025-----			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
	Rupees in '000'			
Directors	1	19,066	602	0.03%
Associated Companies	2	154,700	4,885	0.21%
Trusts	8	399,628	12,620	0.53%
Insurance companies	5	27,541,357	869,751	36.52%
Banks/DFIs	6	15,972	504	0.02%
Retirement Funds	6	1,995,575	63,020	2.65%
Other Corporates	73	7,922,003	250,175	10.50%
Individuals	8,443	37,367,005	1,180,047	49.55%
	<u>8,544</u>	<u>75,415,306</u>	<u>2,381,604</u>	<u>100%</u>

Category	-----Class A-----			
	-----2024-----			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
	Rupees in '000'			
Associated Undertaking and Director	2	6,484,800	129,362	2.29%
NIT and ICP	6	3,000	60	0.00%
Individuals	8,053	120,580,807	2,405,392	42.53%
Foreign Individuals	459	25,546,163	509,608	9.01%
Banks, DFI and NBF	13	53,326,824	1,063,790	18.81%
Insurance Companies	4	42,445,625	846,727	14.97%
Mutual Funds	1	62,512	1,247	0.02%
Modarba	1	15,000	299	0.01%
Others	68	35,012,619	698,449	12.35%
Foreign Companies	2	22,650	452	0.01%
	<u>8,609</u>	<u>283,500,000</u>	<u>5,655,386</u>	<u>100%</u>

Category	Class B			
	2024			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
			Rupees in '000'	
Individuals	8,479	39,602,368	855,114	57.05%
Insurance Companies	3	27,385,197	591,314	39.45%
Banks and DFIs	1	3,983	86	0.01%
Associated Company and Directors	2	173,491	3,746	0.25%
Retirement Funds	5	708,807	15,305	1.02%
Trust	7	553,805	11,958	0.80%
Others	79	986,357	21,298	1.42%
	<b>8,576</b>	<b>69,414,008</b>	<b>1,498,821</b>	<b>100%</b>

**24 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID**

2025	2024
Name of broker	Name of broker
Intermarket Securities Limited	Intermarket Securities Limited
Arif Habib Limited	EFG Hermes Pakistan Limited
Integrated Equities Limited	Optimus Capital Management (Private) Limited
JS Global Capital Ltd	JS Global Capital Limited
Ktrade Securities Limited	Arif Habib Limited
Next Capital Limited	Topline Securities (Private) Limited
DJM Securities Limited	KTrade Securities Limited (Formerly) Khadim
Chase Securities Pakistan (Private) Limited	Ali Shah Bukhari Securities Limited
Sherman Securities (Private) Limited	DJM Securities Limited
AKD Securities Limited	Alfalah Securities (Private) Limited (formerly) Alfalah

**25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE**

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

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
4	Amin Mohammad	Head of Risk	MBA	32+ years
6	Wasim Akram	Senior Fund Manager	MBA	21+ years

**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 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:

S. No.	Name of director	Number of meetings			Meeting 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 and June 4,2025
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	-	May 26, 2025,May 27, 2025 and June 4, 2025
7	Mr. Khalid Malik	9	9	-	-
8	Mr. Habib Yousuf Habib *	9	3	1	May 27, 2025
9	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.

**27 GENERAL**

**27.1** Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

**27.2** Figures have been rounded off to the nearest thousand rupees.

**28 DATE OF AUTHORISATION FOR ISSUE**

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**



**HBL Investment Fund**

<b>NAME OF FUND</b>	HBL INVESTMENT FUND
<b>NAME OF AUDITOR</b>	A.F. Ferguson & Co.
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited.
<b>NAME OF BANKERS</b>	Allied Bank limited Habib Bank Limited Habib Metro Bank Limited HBL Micro Finance Bank Limited JS Bank Limited Khushali Micro Finance Bank Limited MCB Bank Limited Mobillink Micro Finance Bank Limited National Bank Limited Soneri Bank limited U Micro Finance Bank Limited Zarai Taraqati Bank Limited

# FUND MANAGER'S REPORT – HBL INVESTMENT FUND

As at June 30, 2025

## Type and Category of Fund

Equity / Open-end

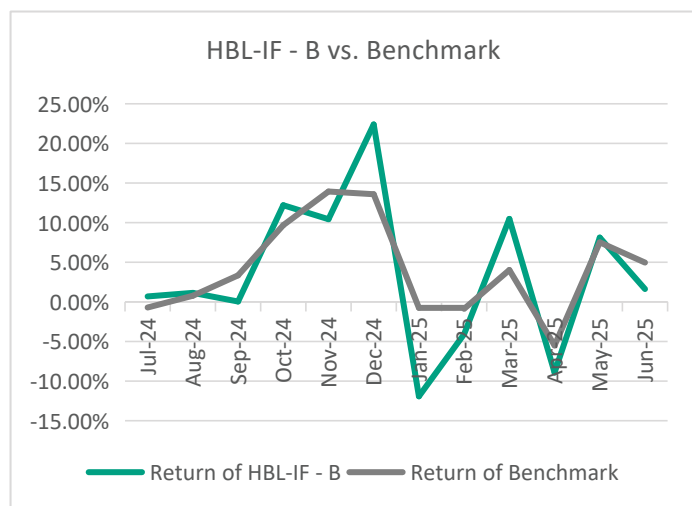
## Investment Objective and Accomplishment of Objective

The objective of HBL Investment Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations. The Collective Investment Scheme achieved its stated objective.

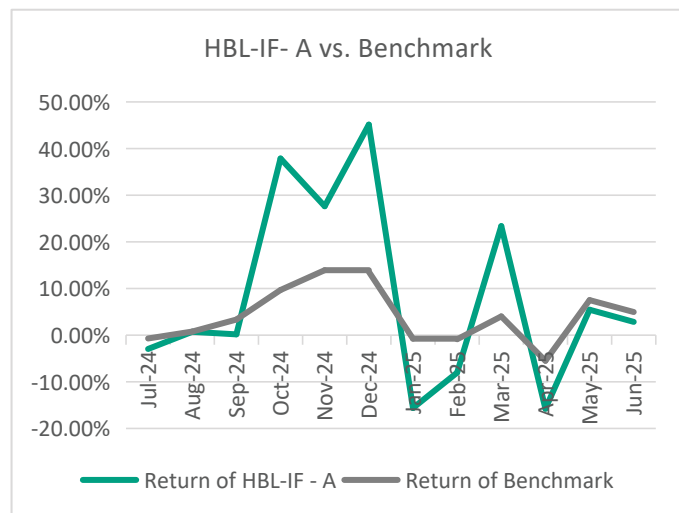
## Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KSE-100 Index.

Month	Return of Fund	
	HBL -IF-B	Benchmark
Jun-25	1.62%	4.96%
May-25	8.11%	7.51%
Apr-25	-8.92%	-5.50%
Mar-25	10.48%	4.02%
Feb-25	-4.07%	-0.88%
Jan-25	-11.92%	-0.76%
Dec-24	22.39%	13.59%
Nov-24	10.43%	13.93%
Oct-24	12.20%	9.68%
Sep-24	0.04%	3.35%
Aug-24	1.14%	0.77%
Jul-24	0.69%	-0.71%



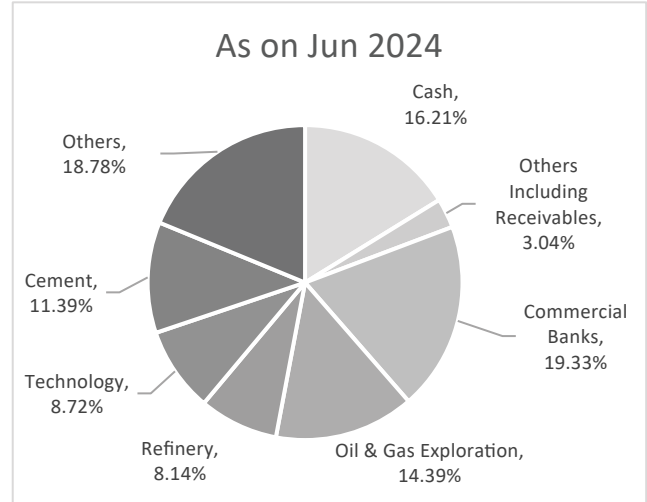
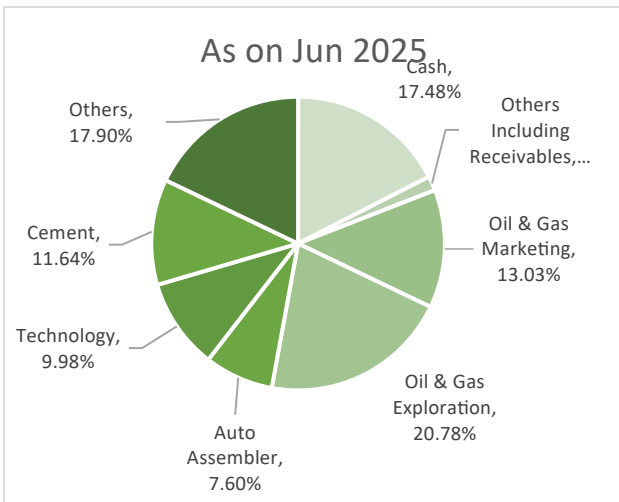
Month	Return of Fund	
	HBL -IF-A	Benchmark
Jun-25	2.85%	4.96%
May-25	5.45%	7.51%
Apr-25	-15.76%	-5.50%
Mar-25	23.38%	4.02%
Feb-25	-8.03%	-0.88%
Jan-25	-15.62%	-0.76%
Dec-24	45.13%	13.59%
Nov-24	27.64%	13.93%
Oct-24	37.87%	9.68%
Sep-24	0.17%	3.35%
Aug-24	0.72%	0.77%
Jul-24	-2.96%	-0.71%



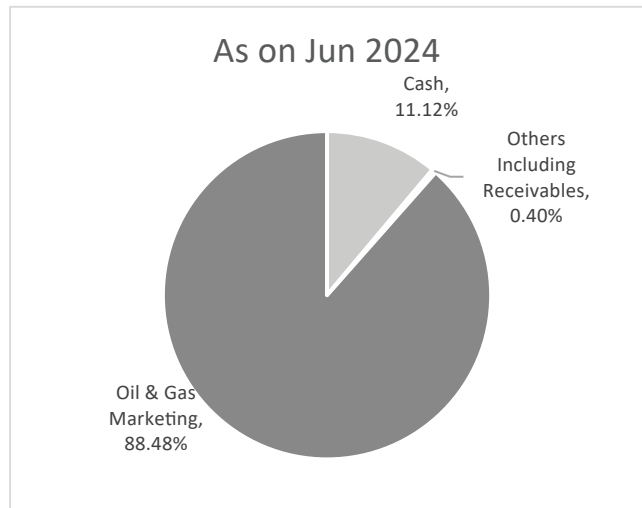
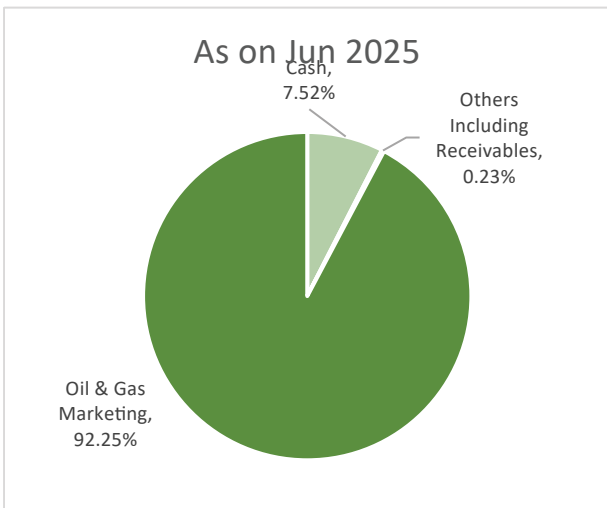
### Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equities for investment fund A and B from 88.48% and 80.74% as on June 30, 2024 to 92.25% and 80.93% as on June 30, 2025 respectively. 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 marketing, oil and gas exploration, technology, and others has increased, while exposure in commercial banks and refinery has decreased.

#### Asset Allocation HBL Investment Fund - B



#### HBL Investment Fund – A



### Significant Changes in Asset Allocation during the Year

The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2025 and June 30, 2024.



#### HBL Investment Fund – B

Sector Name	As on Jun 2025	As on Jun 2024
Cash	17.48%	16.21%
Others Including Receivables	1.59%	3.04%
Commercial Banks		19.33%
Oil & Gas Marketing	13.03%	
Oil & Gas Exploration	20.78%	14.39%
Auto Assembler	7.60%	
Refinery		8.14%
Technology	9.98%	8.72%
Cement	11.64%	11.39%
Total	100.00%	100.00%

#### HBL Investment Fund – A

Sector Name	As on Jun 2025	As on Jun 2024
Cash	7.52%	11.12%
Others Including Receivables	0.23%	0.40%
Oil & Gas Marketing	92.25%	88.48%
Total	100.00%	100.00%

#### Fund Performance

Effective from July 2, 2018 the Fund has been converted into an open-ended Equity Fund as per the duly approved Conversion Plan. This matter is fully disclosed in the respective note to the financial statements of the Fund.

The Fund as a whole earned a total and net income of Rs. 492.62 million and Rs. 389.13 million respectively during the year under review. The fund size of the fund stood at Rs. 5.25 billion as on June 30, 2025.

Performance review of each class is presented below:

#### HBL Investment Fund – Class ‘A’

HBL Investment Fund – Class ‘A’ earned a total income and net income of Rs. 162.46 million and Rs. 102.09 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘A’ was Rs. 15.2131 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.33 per unit) as compared to Rs. 7.1063 as at June 30, 2024, thereby giving a return of 118.70%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘A’ was Rs. 4.32 billion as on June 30, 2025 as compared to Rs. 2.02 billion at the start of the year.

#### HBL Investment Fund – Class ‘B’

HBL Investment Fund – Class ‘B’ earned a total and net income of Rs. 330.16 million and Rs. 287.04 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Class ‘B’ was Rs. 14.7076 per unit as on June 30, 2025 (after incorporating dividend of Rs. 0.25 per unit) as compared to Rs. 10.3650 as at June 30, 2024, thereby giving a return of 44.31%. During the year the benchmark KSE 100 index yielded a return of 60.15%. The size of Class ‘B’ was Rs. 0.93 billion as on June 30, 2025 as compared to Rs. 0.69 billion at the start of the year.

## Review of Market invested in

In FY25, Pakistan's benchmark KSE-100 index gained 60% YoY in PKR terms and 57% in USD terms, extending the stellar performance of the previous year. Over the past two years (FY24 and FY25), the PSX has delivered a remarkable cumulative return of 203% in PKR terms and 206% in USD terms, making it the best-performing equity market in the world 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 with a 57% USD return, but over the two-year period (FY24 and FY25), 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 approved Rs. 0.33 dividend per unit to the unit holders for the year ended June 30, 2025 from HBL Investment Fund Class 'A'.

The Board of Directors approved distribution of up-to Rs. 0.25 per unit for the year ended June 30, 2025 from HBL Investment Fund Class 'B'.

## Significant Changes in the State of Affairs

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

From – To (No. of Certificates)	No. of Certificate Holders (Class 'A' Units)	Total No. of Certificates Held (Class 'A' Units)	No. of Certificate Holders (Class 'B' Units)	Total No. of Certificates Held (Class 'B' Units)
1 – 100	3,209	199,174	2,616	127,928
101 – 500	6,713	1,704,866	6,709	1,521,714
501 – 1,000	2,103	1,542,262	2,402	1,563,517
1,001 – 10,000	2,264	7,152,070	2,529	6,536,769
10,001 – 100,000	476	15,787,630	383	9,218,002
100,001 – 500,000	106	21,051,883	3	2,037,064
500,001 – 1,000,000	31	23,111,744	44	7,498,921
1,000,001 – 5,000,000	14	36,908,393	7	13,428,684
5,000,001 and above	11	176,666,978	3	21,206,005
Total	14,927	284,125,000	14,696	63,138,604

### **Certificate Splits**

There were no unit splits during the year.

### **Circumstances materially affecting the Interest of Certificate 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 INVESTMENT FUND

As at June 30, 2025

	2025		2024		2023		2022		2021		2020	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Net assets at the period end(Rs'000)	4,322,415	928,620	2,019,085	694,215	1,392,100	451,234	1,998,102	713,289	2,492,208	1,386,597	1,844,924	1,155,705
<b>NET ASSETS VALUE PER UNIT/CERTIFICATE AT 30 JUNE - RUPEES</b>	15.2131	14.7076	7.1063	10.3650	4.8996	6.0678	7.0325	6.4666	8.7715	10.2262	6.4934	7.8872
Redemption - Class B unit type B	-	14.7076	-	10.3650	-	6.0678	-	6.4666	-	10.2262	-	7.8872
Redemption - Class B unit type C	-	14.7076	-	10.3650	-	6.0678	-	6.4666	-	10.2262	-	7.8872
Offer - Class B unit type C	-	15.0459	-	10.5992	-	6.2049	-	6.6127	-	10.4573	-	8.0655
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>												
Highest offer price per unit - Class B unit type C	-	16.8405	-	11.5406	-	7.0042	-	10.5531	-	10.6571	-	10.8780
Lowest offer price per unit - Class B unit type C	-	10.6049	-	5.8695	-	5.6102	-	6.5924	-	8.2026	-	6.8247
Highest redemption price per unit - Class B unit type B	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	10.6376
Lowest redemption price per unit - Class B unit type B	-	N/A	-	N/A	-	N/A	-	N/A	-	N/A	-	6.6739
Highest redemption price per unit - Class B unit type C	-	16.4619	-	11.2855	-	6.8494	-	10.3199	-	10.4216	-	10.6376
Lowest redemption price per unit - Class B unit type C	-	10.3547	-	5.7398	-	5.4862	-	6.4467	-	8.0213	-	6.6739
<b>RETURN (%)</b>												
Total return	118.70%	44.31%	49.62%	84.00%	-24.64%	-6.17%	-19.83%	-36.76%	35.08%	29.66%	7.16%	-2.94%
Income distribution	4.64%	2.41%	5.31%	13.18%	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%
Capital growth	123.34%	41.90%	54.93%	70.82%	-24.24%	-6.17%	-19.83%	-36.76%	35.08%	29.66%	7.16%	-3.21%
<b>DISTRIBUTION</b>												
First Interim dividend distribution	0.33	0.25	0.26	0.80	0.40%	-	-	-	-	-	-	0.27
Date of Income Distribution	2025-06-27	2025-06-30	2024-06-28	2024-06-28	2023-06-30	-	-	-	-	-	-	26-Jun-20
Total dividend distribution for the year/ period	0.33	0.25	0.26	0.80	0.00	-	-	-	-	-	-	0.27
<b>AVERAGE RETURNS (%)</b>												
Average annual return 1 year	118.70%	44.31%	49.62%	84.00%	-24.64%	-6.17%	-19.83%	-36.76%	35.08%	29.66%	7.16%	-2.94%
Average annual return 2 year	80.89%	62.95%	18.49%	35.65%	-22.27%	-22.97%	4.06%	-9.45%	20.31%	12.18%	-15.48%	-9.85%
Average annual return 3 year	35.10%	35.57%	-3.89%	22.54%	-6.55%	-8.37%	5.09%	-7.33%	-1.18%	1.76%	N/A	N/A
<b>PORTFOLIO COMPOSITION - (%)</b>												
Percentage of Assets as at 30 June:												
Bank Balances	5.82%	12.41%	11.12%	16.21%	17.68%	26.51%	7.69%	17.16%	3.23%	13.49%	5.32%	13.61%
Govt Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Placement with Banks and DFIs	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Sukuks	-	-	-	-	-	-	-	-	-	-	-	-
Stock / Equities	93.84%	86.42%	88.48%	80.75%	81.75%	68.12%	92.06%	81.26%	96.67%	83.67%	94.56%	84.72%
Others	0.35%	1.18%	0.40%	3.04%	0.57%	5.37%	0.25%	1.58%	0.10%	2.84%	0.12%	1.67%

**Note:**

The Fund converted to open end fund on July 02, 2018

\* Since conversion from Closed-End to Open-End

**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 DISCLOURE

## Summary of Actual Proxy voted by CIS

HBL IF	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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**TRUSTEE REPORT TO THE UNIT HOLDERS**



**HBL INVESTMENT 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 Investment 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 Unit holders of HBL Investment Fund**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HBL Investment 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	<b>Net Asset Value (NAV)</b> (Refer notes 4 and 5 to the financial statements)	
	<p>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. 391.499 million and Rs. 5,087.721 million respectively.</p> <p>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.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>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;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

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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.

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- 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: AR202510061Vc3a1Zhrx

**HBL Investment Fund**  
**Statement of Assets and Liabilities**  
*As at June 30, 2025*

	2025			2024			
	Class A	Class B	Total	Class A	Class B	Total	
<b>Note -----Rupees in '000 -----</b>							
<b>ASSETS</b>							
Bank balances	4	257,415	134,084	391,499	233,355	139,826	373,181
Investments	5	4,153,819	933,902	5,087,721	1,858,820	701,105	2,559,925
Dividend and profit receivable	6	15,260	4,839	20,099	8,257	2,294	10,551
Receivable against sale of investments		-	-	-	-	17,102	17,102
Deposits and other receivable	7	225	3,473	3,698	418	4,649	5,067
Receivable from HBL Asset Management Limited - Management Company	8	-	4,404	4,404	-	3,033	3,033
<b>Total assets</b>		<b>4,426,719</b>	<b>1,080,702</b>	<b>5,507,421</b>	<b>2,100,850</b>	<b>868,009</b>	<b>2,968,859</b>
<b>LIABILITIES</b>							
Payable to HBL Asset Management Limited - Management Company	9	4,100	59,183	63,283	3,866	58,526	62,392
Payable to Central Depository Company of Pakistan Limited - Trustee	10	1,041	397	1,438	286	146	432
Payable to the Securities and Exchange Commission of Pakistan	11	339	70	409	164	54	218
Payable against purchase of investments		-	-	-	-	18,950	18,950
Accrued expenses and other liabilities	12	2,740	4,350	7,090	581	10,103	10,684
Dividend payable		2,323	2,233	4,556	76,868	-	76,868
Unclaimed dividend		93,761	85,849	179,610	-	86,015	86,015
<b>Total liabilities</b>		<b>104,304</b>	<b>152,082</b>	<b>256,386</b>	<b>81,765</b>	<b>173,794</b>	<b>255,559</b>
<b>NET ASSETS</b>		<b>4,322,415</b>	<b>928,620</b>	<b>5,251,035</b>	<b>2,019,085</b>	<b>694,215</b>	<b>2,713,300</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>4,322,415</b>	<b>928,620</b>	<b>5,251,035</b>	<b>2,019,085</b>	<b>694,215</b>	<b>2,713,300</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-----Number of units-----		-----Number of units-----			
<b>NUMBER OF UNITS IN ISSUE</b>	17	<b>284,125,000</b>	<b>63,138,604</b>	<b>284,125,000</b>	<b>66,976,913</b>		
		-----Rupees-----		-----Rupees-----			
<b>NET ASSET VALUE PER UNIT</b>		<b>15.2131</b>	<b>14.7076</b>	<b>7.1063</b>	<b>10.3650</b>		

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 Investment Fund**  
**Income Statement**  
For the year ended June 30, 2025

	Note	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
Rupees in '000							
<b>INCOME</b>							
Dividend income		132,191	37,717	169,908	80,483	49,118	129,601
Profit on savings accounts with banks		29,573	18,878	48,451	46,282	34,345	80,627
Gain on sale of investments - net		-	198,034	198,034	-	168,917	168,917
Net unrealised appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss <sup>1</sup>	5.1.2.3	-	75,527	75,527	-	125,638	125,638
		-	273,561	273,561	-	294,555	294,555
Other Income		700	-	700	-	-	-
<b>Total income</b>		<b>162,464</b>	<b>330,156</b>	<b>492,620</b>	<b>126,765</b>	<b>378,018</b>	<b>504,783</b>
<b>EXPENSES</b>							
Remuneration of HBL Asset Management Limited - Management Company (including Sindh Sales Tax)	9.1 & 9.2	47,872	34,360	82,232	33,345	16,327	49,672
Allocation of expenses related to registrar services, operation and valuation services (including Sindh Sales Tax)	9.3	2,430	1,094	3,524	10,820	2,427	13,247
Selling and marketing expenses (including Sindh Sales Tax)	9.4	-	-	-	-	4,011	4,011
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh Sales Tax)	10.1	4,973	1,332	6,304	3,138	1,039	4,177
Annual fee to the Securities and Exchange Commission of Pakistan	11.1	3,322	792	4,114	1,865	558	2,423
Brokerage and securities transaction costs		-	8,644	8,644	-	6,060	6,060
Auditors' remuneration	14	1,219	405	1,624	893	294	1,187
Fees and subscription charges		556	287	843	538	644	1,182
Settlement and bank charges		-	608	608	156	212	368
Reimbursement of expenses from HBL Asset Management Limited - Management Company		-	(4,404)	(4,404)	-	(3,033)	(3,033)
<b>Total expenses</b>		<b>60,372</b>	<b>43,117</b>	<b>103,489</b>	<b>50,755</b>	<b>28,539</b>	<b>79,294</b>
<b>Net income for the year before taxation</b>		<b>102,092</b>	<b>287,039</b>	<b>389,131</b>	<b>76,010</b>	<b>349,479</b>	<b>425,489</b>
Taxation	16	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		<b>102,092</b>	<b>287,039</b>	<b>389,131</b>	<b>76,010</b>	<b>349,479</b>	<b>425,489</b>
<b>Allocation of net income for the year</b>							
Net income for the year after taxation		102,092	287,039		76,010	349,479	
Income already paid on redemption of units		-	(20,360)		-	(48,746)	
		<b>102,092</b>	<b>266,679</b>		<b>76,010</b>	<b>300,733</b>	
<b>Accounting income available for distribution:</b>							
- Relating to capital gains		-	240,356		-	250,442	
- Excluding capital gains		102,092	26,323		76,010	50,291	
		<b>102,092</b>	<b>266,679</b>		<b>76,010</b>	<b>300,733</b>	

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 Investment Fund**  
**Statement of Comprehensive Income**  
*For the year ended June 30, 2025*

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
<b>Net income for the year after taxation</b>	102,092	287,039	389,131	76,010	349,479	425,489
<b>Items that will not be reclassified to income statement</b>						
Net unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through other comprehensive income'						
5.1.1.2	2,294,999	-	2,294,999	624,848	-	624,848
<b>Total comprehensive income for the year</b>	<u>2,397,091</u>	<u>287,039</u>	<u>2,684,130</u>	<u>700,858</u>	<u>349,479</u>	<u>1,050,337</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 Investment Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

	-2025-						
	Class A			Class B			
	Capital value	Accumulated loss	Unrealised appreciation on revaluation of fair value through OCI	Total	Capital value	Accumulated loss	Total
	Rupees in '000						
<b>Net assets at the beginning of the year</b>	2,841,250	(2,163,493)	1,341,328	2,019,085	1,072,847	(378,632)	694,215
Issuance of Class A: nil units and Class B: 9,437,414 units							
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	97,819	-	97,819
- Element of loss	-	-	-	-	39,298	-	39,298
<b>Total proceeds on issuance of units</b>	-	-	-	-	137,117	-	137,117
Redemption of Class A: nil units and Class B: 13,275,722 units							
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	(137,603)	-	(137,603)
- Element of income	-	-	-	-	(16,193)	(20,360)	(36,553)
<b>Total proceeds on redemption of units</b>	-	-	-	-	(153,796)	(20,360)	(174,156)
Total comprehensive income for the year	-	102,092	2,294,999	2,397,091	-	287,039	287,039
Distribution for the year ended June 30, 2025 (cash distribution @ Re. 0.33 per unit declared on June 27, 2025)	-	(93,761)	-	(93,761)	-	-	-
Distribution for the year ended June 30, 2025 (cash distribution @ Re. 0.24 per unit declared on June 27, 2025)	-	-	-	-	(674)	(14,921)	(15,595)
Net comprehensive income for the year less distribution	-	8,331	2,294,999	2,303,330	(674)	272,118	271,444
<b>Net assets at the end of the year</b>	<b>2,841,250</b>	<b>(2,155,162)</b>	<b>3,636,327</b>	<b>4,322,415</b>	<b>1,055,494</b>	<b>(126,874)</b>	<b>928,620</b>
<b>Accumulated loss brought forward comprising of:</b>							
- Realised loss		(2,163,493)				(504,270)	
- Unrealised income		-				125,638	
		<u>(2,163,493)</u>				<u>(378,632)</u>	
<b>Accounting income available for distribution</b>							
- Relating to capital gains		-				240,356	
- Excluding to capital gains		102,092				26,323	
		<u>102,092</u>				<u>266,679</u>	
Net income for the year after taxation		-				-	
Distribution during the year		<u>(93,761)</u>				<u>(14,921)</u>	
<b>Accumulated loss carried forward</b>		<u>(2,155,162)</u>				<u>(126,874)</u>	
<b>Accumulated loss carried forward comprising of:</b>							
- Realised loss		(2,155,162)				(202,401)	
- Unrealised income		-				75,527	
		<u>(2,155,162)</u>				<u>(126,874)</u>	
					(Rupees)		(Rupees)
<b>Net asset value per unit at the beginning of the year</b>					<u>7.1063</u>		<u>10.3650</u>
<b>Net asset value per unit at the end of the year</b>					<u>15.2131</u>		<u>14.7076</u>

**Note:** Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

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 Investment Fund**  
**Statement of Cash Flow**  
For the year ended June 30, 2025

	2025			2024			
	Class A	Class B	Total	Class A	Class B	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Net income for the year before taxation	102,092	287,039	389,131	76,010	349,479	425,489	
<b>Adjustments for:</b>							
Net unrealised appreciation on re-measurement of investments classified as 'financial asset at fair value through profit or loss'	5.1.2.3	-	(75,527)	(75,527)	-	(125,638)	(125,638)
Gain on sale of investments - net	-	(198,034)	(198,034)	-	(168,917)	(168,917)	
Dividend income	(132,191)	(37,717)	(169,908)	(80,483)	(49,118)	(129,601)	
Profit on savings accounts with banks	(29,573)	(18,878)	(48,451)	(46,282)	(34,345)	(80,627)	
	(59,672)	(43,117)	(102,789)	(50,755)	(28,539)	(79,294)	
<b>(Decrease) / increase in assets</b>							
Investments - net	-	38,918	38,918	-	21,513	21,513	
Deposits and other receivable	193	1,176	1,369	(307)	(830)	(1,137)	
Receivable from HBL Asset Management Limited - Management Company	-	(1,371)	(1,371)	-	(379)	(379)	
	193	38,723	38,916	(307)	20,304	19,997	
<b>Increase / (decrease) in liabilities</b>							
Payable to HBL Asset Management Limited - Management Company	234	657	891	1,131	325	1,456	
Payable to Central Depository Company of Pakistan Limited - Trustee	755	251	1,006	55	52	107	
Payable to the Securities and Exchange Commission of Pakistan	175	16	191	(190)	(49)	(239)	
Accrued expenses and other liabilities	2,159	(5,753)	(3,594)	174	7,818	7,992	
Unclaimed dividend	93,761	(166)	93,595	-	-	-	
	97,084	(4,995)	92,089	1,170	8,146	9,316	
Dividend income received	131,338	37,587	168,925	79,842	48,815	128,657	
Profit received on savings accounts with banks	23,423	16,463	39,886	47,141	34,957	82,098	
	154,761	54,050	208,811	126,983	83,772	210,755	
<b>Net cash generated from operating activities</b>	<b>192,366</b>	<b>44,661</b>	<b>237,027</b>	<b>77,091</b>	<b>83,683</b>	<b>160,774</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Amount received on issuance of units-net	-	136,443	136,443	-	46,654	46,654	
Amount paid on redemption of units	-	(174,156)	(174,156)	-	(102,773)	(102,773)	
Cash dividend paid	(168,306)	(12,690)	(180,996)	(110,654)	(49,650)	(160,304)	
<b>Net cash used in financing activities</b>	<b>(168,306)</b>	<b>(50,403)</b>	<b>(218,709)</b>	<b>(110,654)</b>	<b>(105,769)</b>	<b>(216,423)</b>	
Net increase / (decrease) in cash and cash equivalents	24,060	(5,742)	18,317	(33,563)	(22,086)	(55,649)	
<b>Cash and cash equivalents at the beginning of the year</b>	<b>233,355</b>	<b>139,826</b>	<b>373,181</b>	<b>266,918</b>	<b>161,912</b>	<b>428,830</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>4.2</b>	<b>257,415</b>	<b>134,084</b>	<b>391,499</b>	<b>233,355</b>	<b>139,826</b>	<b>373,181</b>

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** HBL Investment Fund (the Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 2, 2004, as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited ("the Management Company") and the Central Depository Company of Pakistan Limited ("the Trustee"). 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 17 August 2021, the above-mentioned Trust Deed has been 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 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 objective of the Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.
- 1.4** As per Regulation 65 of the NBFC Regulations, all closed end funds were required to convert into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.
- 1.5** The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an open end scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The Plan was also approved by SECP on February 16, 2018.
- 1.6** The replacement trust deed and replacement offering document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to following for each certificate held:
- One Class-A unit of the Fund was issued to every certificate holders of Fund for each certificate held representing frozen portfolio and related assets and liabilities.
  - One Class-B unit of the Fund was issued to the every certificate holder of Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.
- 1.7** The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B units can be redeemed at the redemption price.
- 1.8** VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating to 'AM-I' dated December 31, 2024 (2024: 'AM-I' dated December 29, 2023) and the outlook on the rating has been assigned as 'Stable' (2024: 'Stable'). Further, the fund is not rated by any credit rating agency as of June 30, 2025.
- 1.9** The title to the assets of the Fund is held in the name of CDC 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 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.

### **2.2 Standards, interpretations and amendments to 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 detailed in these financial statements."

### **2.3 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 date of January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## **2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards 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, impairment and valuation of financial assets (notes 3.2 and 5) and provision for Federal excise duty (note 9.5).

## **2.5 Accounting convention**

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. 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 21.

## **2.6 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 Pakistan Rupee, which is the Fund's functional and presentation currency.

## **3 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.

### **3.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at amortised cost. These comprise of balances with banks in savings accounts.

### **3.2 Financial assets**

#### **3.2.1 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.

#### **3.2.2 Classification and subsequent measurement**

##### **3.2.2.1 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 interest in the issuer's net assets.

All equity investments are required to be measured in the “Statement of Assets and Liabilities” at fair value, with gains and losses recognised in the “Income Statement”, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as 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.

### **3.2.2.2 Debt instruments**

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

- amortised cost;
- at fair value through other comprehensive income (FVOCI); and
- at fair value through profit or loss (FVPL)

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 FVPL. 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 FVPL.

### **3.2.2.3 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.

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.

### **3.2.2.4 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 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 been placed on the Management Company's website as required under the SECP's circular.

#### **3.2.2.5 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.

#### **3.2.2.6 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 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.

### **3.3 Financial liabilities**

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 amortized cost.

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.

### **3.4 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.

### **3.5 Provisions**

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

### **3.6 Net asset value per unit**

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### **3.7 Issuance and redemption of units**

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that date. The redemption price is equal to NAV as of the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

### **3.8 Distribution to the unit holders**

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

### **3.9 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 will be refunded on units in the same proportion as dividend bears to accounting income available for distribution.

### **3.10 Revenue recognition**

- Realised gains / (losses) arising on sale of investments are included in Income Statement and are recognised 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 included in the Income Statement in the period in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on savings account with banks is recognised on time proportion basis using the effective yield method.

### **3.11 Expenses**

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

### 3.12 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 percent of its 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.

	Note	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----							
<b>4. BANK BALANCES</b>							
Savings accounts	4.1	257,415	134,084	391,499	233,355	139,826	373,181

**4.1** These include balances of Rs. 0.689 million (2024: Rs. 0.689 million) with Habib Bank Limited (a related party) carrying profit at the rate of 11.11% (2024: 16.00%) per annum, Rs. 239.254 million (2024: Rs. 226.192 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.25% (2024: 20.25% to 22.00%) per annum and Rs. 114.597 million (2024: Rs. 103.832 million) with MCB Bank Limited (a related party) carrying profit at the rate of 7.48% (2024: 18%) per annum. Other saving accounts of the Fund carry profit at the rates ranging from 9% to 9.5% (2024: 15.50% to 21.50%) per annum.

	Note	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----							
<b>4.2 Cash and cash equivalents</b>							
Balances with banks		257,415	134,084	391,499	233,355	139,826	373,181

### 5 INVESTMENTS

#### At fair value through other comprehensive income

- Quoted equity securities	5.1.1 & 5.1.4	4,153,819	-	4,153,819	1,858,820	-	1,858,820
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#### At fair value through profit or loss

- Quoted equity securities	5.1.2, 5.1.3 & 5.1.4	-	933,902	933,902	-	701,105	701,105
		<u>4,153,819</u>	<u>933,902</u>	<u>5,087,721</u>	<u>1,858,820</u>	<u>701,105</u>	<u>2,559,925</u>

**5.1 Quoted equity securities**

**5.1.1 Class A - At fair value through other comprehensive income**

Name of the investee company	As at July 1, 2024	Purchased during the year	Bonus / right issue 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	Unrealised appreciation	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Total market value of investments of Class A	Net assets of Class A	
						(Rupees in '000)					
<b>Oil and gas marketing companies</b>											
Sui Northern Gas Pipeline Limited	2,488,024	-	-	-	2,488,024	33,053	290,377	257,324	6.99%	6.72%	0.39%
Pakistan State Oil Company Limited (note 5.1.4)	10,233,471	-	-	-	10,233,471	484,438	3,863,442	3,379,004	93.01%	89.38%	2.18%
<b>Total as at June 30, 2025</b>						<b>517,491</b>	<b>4,153,819</b>	<b>3,636,328</b>			
<b>Total as at June 30, 2024</b>						<b>517,491</b>	<b>1,858,820</b>	<b>1,341,329</b>			

**5.1.1.1** The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen / blocked by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares.

**5.1.1.2 Net unrealised appreciation on re-measurement of investments classified as 'financial asset at fair value through other comprehensive income'**

	Note	Class A	
		2025	2024
----- Rupees in '000 -----			
Market value of investments	5.1.1	4,153,819	1,858,820
Less: cost of investments	5.1.1	(517,491)	(517,491)
		<u>3,636,328</u>	<u>1,341,329</u>
Add: changes in fair value of investments disposed of during the year		-	-
Less: net unrealised appreciation in the fair value of investments at the beginning of the year		1,341,329	716,481
Less: amount of appreciation pertaining to disposed of securities		-	-
		<u>1,341,329</u>	<u>716,481</u>
		<u>2,294,999</u>	<u>624,848</u>

**5.1.2 Class B - At fair value through profit or loss**

Name of the Investee Company	As at July 1, 2024	Purchased during the year	Bonus / rights issue 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	Unrealised appreciation / (diminution) as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investment	net assets of the Fund of Class B	
						(Rupees in '000)			(%)		
<b>Automobile Assembler</b>											
Gandhara Automobiles Limited	-	492,784	-	394,784	98,000	47,819	36,981	(10,838)	3.96%	3.98%	0.17%
Gandhara Industries Limited	-	392,195	-	314,195	78,000	54,398	50,733	(3,665)	5.43%	5.46%	0.18%
Honda Atlas Cars (Pak) Limited	45,000	-	-	45,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	34,500	-	-	34,500	-	-	-	-	-	-	-
						<b>102,217</b>	<b>87,714</b>	<b>(14,503)</b>			
<b>Automobile Parts &amp; Accessories</b>											
Loads Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
<b>Cement</b>											
Attock Cement Pakistan Limited	-	222,624	-	145,500	77,124	22,306	22,566	260	2.42%	2.43%	0.06%
Cherat Cement Company Limited	-	194,500	-	194,500	-	-	-	-	-	-	-
DG Khan Cement Company Limited (5.1.3)	230,000	430,000	-	480,000	180,000	22,132	29,801	7,669	3.19%	3.21%	0.04%
Fauji Cement Company Limited (5.1.3)	100,000	1,558,500	-	947,000	711,500	26,684	31,783	5,099	3.40%	3.42%	0.03%
Gharibwal Cement Company Limited	-	1,192,900	-	1,192,900	-	-	-	-	-	-	-
Lucky Cement Limited	7,000	67,000	-	74,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited (5.1.3)	800,000	1,710,536	-	1,915,536	595,000	28,075	50,147	22,072	5.37%	5.40%	0.06%
Pioneer Cement Company Limited	232,000	11,000	-	243,000	-	-	-	-	-	-	-
Power Cement Company Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-
Thatta Cement Company Limited	-	281,700	-	281,700	-	-	-	-	-	-	-
						<b>99,197</b>	<b>134,297</b>	<b>35,100</b>			

# HBL Investment 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 / rights issue 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	Unrealised appreciation / (diminution) as at June 30, 2025	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									total market value of investment	net assets of the Fund of Class B	
					(Number of shares)	(Rupees in '000)			(%)		
<b>Commercial banks</b>											
Askari Bank Limited	-	500,000	-	-	500,000	22,922	24,650	1,728	2.64%	2.65%	0.03%
Bank Al Habib Limited	440,000	179,500	-	619,500	-	-	-	-	-	-	-
BankIslami Pakistan Limited	286,500	-	-	286,500	-	-	-	-	-	-	-
Faysal Bank Limited (5.1.4)	8,764	-	-	-	8,764	460	611	151	0.07%	0.07%	0.00%
Habib Bank Limited	191,000	289,625	-	447,125	33,500	5,527	6,003	476	0.64%	0.65%	0.00%
MCB Bank Limited	-	20,000	-	-	20,000	5,580	5,767	187	0.62%	0.62%	0.00%
Meezan Bank Limited	78,000	-	-	78,000	-	-	-	-	-	-	-
National Bank of Pakistan	-	770,000	-	397,500	372,500	28,960	40,487	11,527	4.34%	4.36%	0.02%
United Bank Limited	270,500	98,000	-	358,500	10,000	2,640	2,760	120	0.30%	0.30%	0.00%
						<b>66,089</b>	<b>80,278</b>	<b>14,189</b>			
<b>Engineering</b>											
Crescent Steel & Allied Products Limited	-	186,000	-	186,000	-	-	-	-	-	-	-
<b>Fertilizer</b>											
Engro Fertilizers Limited	127,500	270,797	-	398,297	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited (5.1.2.2)	-	291,000	-	291,000	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited (5.1.2.2)	-	399,832	-	399,832	-	-	-	-	-	-	-
<b>Food and Personal Care Products</b>											
The Organic Meat Company Limited	-	687,000	-	687,000	-	-	-	-	-	-	-
<b>Insurance</b>											
TPL Insurance Limited (5.1.4)	201,269	-	-	168,392	32,877	471	327	(144)	0.04%	0.04%	0.02%
						<b>471</b>	<b>327</b>	<b>(144)</b>			
<b>Paper, Board &amp; Packaging</b>											
SPEL Limited (formerly known as Synthetic Products Enterprises Limited)	-	1,733,500	-	1,733,500	-	-	-	-	-	-	-
<b>Oil &amp; Gas exploration companies</b>											
Mari Energies Limited (5.1.4)	6,200	220,890	41,600	164,370	104,320	52,228	65,397	13,169	7.00%	7.04%	0.01%
Oil & Gas Development Company Limited (5.1.3)	386,500	317,000	-	318,000	385,500	69,849	85,026	15,177	9.10%	9.16%	0.01%
Pakistan Petroleum Limited (5.1.3)	476,097	537,000	-	488,097	525,000	83,244	89,339	6,095	9.57%	9.62%	0.02%
						<b>205,321</b>	<b>239,762</b>	<b>34,441</b>			
<b>Oil &amp; Gas marketing companies</b>											
Pakistan State Oil Company Limited (5.1.3)	125,000	476,500	-	390,500	211,000	73,032	79,659	6,627	8.53%	8.58%	0.04%
Sui Northern Gas Pipelines Limited (5.1.3)	428,000	862,000	-	684,500	605,500	58,987	70,668	11,681	7.57%	7.61%	0.10%
Sui Southern Gas Company Limited	-	2,893,500	-	2,893,500	-	-	-	-	-	-	-
						<b>132,019</b>	<b>150,327</b>	<b>18,308</b>			
<b>Pharmaceuticals</b>											
BF Biosciences Limited	-	373,500	-	188,500	185,000	42,613	31,210	(11,403)	3.34%	3.36%	0.21%
Glaxosmithkline Pakistan	-	94,629	-	94,629	-	-	-	-	-	-	-
The Searle Company Limited (5.1.4)	2,376	-	-	-	2,376	136	208	72	0.02%	0.02%	0.00%
						<b>42,749</b>	<b>31,418</b>	<b>(11,331)</b>			
<b>Power Generation &amp; Distribution</b>											
K-Electric Limited	2,200,000	-	-	2,200,000	-	-	-	-	-	-	-
The Hub Power Company Limited	179,000	110,000	-	229,000	60,000	8,491	8,269	(222)	0.89%	0.89%	0.00%
						<b>8,491</b>	<b>8,269</b>	<b>(222)</b>			
<b>Refinery</b>											
Attock Refinery Limited	103,500	224,000	-	267,000	60,500	39,738	41,105	1,367	4.40%	4.43%	0.06%
National Refinery Limited	129,000	-	-	129,000	-	-	-	-	-	-	-
Pakistan Refinery Limited (5.1.3)	-	1,401,500	-	646,500	755,000	28,079	25,617	(2,462)	2.74%	2.76%	0.12%
						<b>67,817</b>	<b>66,722</b>	<b>(1,095)</b>			
<b>Technology &amp; Communication</b>											
Air Link Communication Limited	-	187,000	-	187,000	-	-	-	-	-	-	-
Avanceon Limited	-	342,000	-	342,000	-	-	-	-	-	-	-
Netsol Technologies Limited	294,000	8,500	-	302,500	-	-	-	-	-	-	-
Pakistan Telecommunication Company Ltd	-	3,400,000	-	1,210,000	2,190,000	56,118	55,714	(404)	5.97%	6.00%	0.06%
Systems Limited	-	171,000	-	-	171,000	17,959	18,321	362	1.96%	1.97%	0.01%
TPL Trakker Limited	5,774,000	-	-	-	5,774,000	35,799	41,169	5,370	4.41%	4.43%	3.08%
						<b>109,876</b>	<b>115,204</b>	<b>5,328</b>			
<b>Textile Spinning</b>											
Nishat Mills Limited	-	378,000	-	378,000	-	-	-	-	-	-	-
<b>Textile Weaving</b>											
Mohib Exports Limited**	40,820	-	-	-	40,820	6	6	-	-	-	* 0.27%
						<b>6</b>	<b>6</b>	<b>-</b>			
<b>Transport</b>											
Secure Logistics Group Limited	-	300,000	-	300,000	-	-	-	-	-	-	-
<b>Property</b>											
TPL Properties Limited	1,150,000	250,000	-	1,400,000	-	-	-	-	-	-	-
<b>Inv. Bank/Inv. Companies/Securities Co.</b>											
Engro Holding Limited	-	89,707	-	89,707	-	-	-	-	-	-	-
Pakistan Stock Exchange Limited	-	1,371,000	-	671,000	700,000	24,122	19,578	(4,544)	2.10%	2.11%	0.09%
						<b>24,122</b>	<b>19,578</b>	<b>(4,544)</b>			
<b>Total as at June 30, 2025</b>						<b>858,375</b>	<b>933,902</b>	<b>75,527</b>			
<b>Total as at June 30, 2024</b>						<b>575,467</b>	<b>701,105</b>	<b>(125,638)</b>			

\* Nil due to rounding off

\*\* The trading of shares of Mohib Exports Limited was suspended from Pakistan Stock Exchange effective from May 11, 2025.



**5.1.2.1** 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		
BF Biosciences Limited	3.00		-
Lucky Cement Limited	2.00	On April 28, 2025 from Rs. 10 to Rs. 2 per share	-
Systems Limited	2.00	On June 2, 2025 from Rs. 10 to Rs. 2 per share	-
K-Electric Limited	3.50		-
United Bank Limited	5.00	On June 22, 2025 from Rs. 10 to Rs. 5 per share	-
Synthetic Products Enterprises Limited	5.00		-

**5.1.2.2** During the year ended, Fauji Fertilizer Bin Qasim Limited (FFBL) has been merged with and into Fauji Fertilizer Company Limited (FFC), upon sanction by the Honorable Lahore High Court, Rawalpindi Bench on December 12, 2024. In accordance with the Scheme of Arrangement, and in consideration for the merger in terms thereof, FFCL will allot and issue ordinary shares of FFCL (FFCL Shares) to the FFBL Shareholders (being the members of FFBL, other than FFCL and its nominees, if any), based on a swap ratio of 1 (one) FFCL Share for every 4.29 ordinary shares of FFBL held by each FFBL Shareholder (subject to the adjustment of fractional shares), in the manner detailed in the Scheme.

As a result of above arrangement, the Fund received 67,832 shares of Fauji Fertilizer Company Limited (FFC) in lieu of 291,000 shares of Fauji Fertilizer Bin Qasim Limited (FFBL).

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

	Note	Class B	
		2025	2024
----- Rupees in '000 -----			
Market value of investments	5.1.2	933,902	701,105
Less: carrying value of investments	5.1.2	(858,375)	(575,467)
		<u>75,527</u>	<u>125,638</u>

**5.1.3** The above investments in Class B 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 -----	
Fauji Cement Company Limited	330,700	-	14,772	-
United Bank Limited	-	15,000	-	3,844
TPL Trakker Limited	-	100,000	-	620
Pakistan Refinery Limited	280,000	-	9,500	-
Pakistan State Oil Company Limited	61,000	-	23,029	-
Oil & Gas Development Company Limited	140,000	193,000	30,878	26,126
Pakistan Petroleum Limited	225,500	176,000	38,373	20,611
D.G. Khan Cement Company Limited	10,000	-	1,656	-
Sui Northern Gas Pipelines Limited	250,000	-	29,178	-
Mari Energies Limited	-	3,000	-	8,137
Meezan Bank Limited	-	950	-	227
Maple Leaf Cement Factory Limited	80,000	40,000	6,742	1,520
The Hub Power Company Limited	-	20,000	-	3,262
	<u>1,377,200</u>	<u>547,950</u>	<u>154,129</u>	<u>64,347</u>

**5.1.4** 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, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honorable 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 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 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, if any.

The Finance Act, 2023 had 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 CIS. 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 year, the Honourable High Court of Sindh 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. The matter is still pending adjudication and the Fund has 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.

During the year ended, Mari Energies Limited (formerly Mari Petroleum Company Limited) has withheld 4160 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld has been disclosed in the table below.

As at June 30, 2025, the following bonus shares of Class A and Class B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the company	Class A			
	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		
Pakistan State Oil Company Limited	85,273	32,193	85,273	14,173

Name of the company	Class B			
	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	2,376	208	2,376	136
Faysal Bank Limited	8,764	611	8,764	460
TPL Insurance Limited	768	8	768	11
Mari Energies Limited	4,160	2,608	-	-
	16,068	827	11,908	607

6	DIVIDEND AND PROFIT RECEIVABLE	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
Rupees in '000							
	Profit receivable on bank balances	10,037	4,310	14,347	3,887	1,895	5,782
	Dividend receivable	5,223	529	5,752	4,370	399	4,769
		15,260	4,839	20,099	8,257	2,294	10,551

7	DEPOSITS AND OTHER RECEIVABLE	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
Rupees in '000							
	Security deposits with:						
	- National Clearing Company of Pakistan Limited	-	2,500	2,500	-	2,500	2,500
	- Central Depository Company of Pakistan Limited	100	200	300	100	200	300
	- Prepaid Listing fee	114	-	114	-	-	-
	Advance tax	7.1	11	784	318	1,949	2,267
		225	3,473	3,698	418	4,649	5,067

**7.1** 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 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 by the withholder. The tax withheld on dividends and profit on bank deposits amounts to Rs. 0.784 million (2024: Rs. 2.267 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.

**8 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 the Fund's Class B was in breach of the TER ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as equity scheme. As a result the Fund recorded receivable from the Management Company to comply with the TER.

9	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	Remuneration payable	9.1	3,565	2,802	6,367	2,583	1,710	4,293
	Sindh Sales Tax on remuneration of the Management Company	9.2	535	420	955	336	222	558
	Allocation of expenses related to registrar services, accounting, operation and valuation services payable	9.3	-	-	-	947	-	947
	Selling and marketing expenses payable	9.4	-	-	-	-	633	633
	Provision for Federal excise duty payable on the Management Company's remuneration	9.5	-	55,961	55,961	-	55,961	55,961
			<u>4,100</u>	<u>59,183</u>	<u>63,283</u>	<u>3,866</u>	<u>58,526</u>	<u>62,392</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 remuneration ranging from 1% to 1.5% (2024: 1.5%) and ranging from 3% to 3.7%(2024: 2% to 3%) of the daily net assets of the Fund for Class A and Class B , respectively 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, 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.

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

The Management Company based on its discretion has charged allocated expenses at the rate of 0.55% and 0.77% per annum of the average daily net assets of the Fund during the year (2024: 0.55% for Class A and 0.67% Class B) for Class A and Class B respectively.

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 charged selling and marketing expenses at the rates 0% (2024: 0% to 1.05%) for Class B per annum of the average daily net assets of the Fund, whereas as no selling and marketing expenses has been charged for Class A, during the year, while keeping in view the overall return and Total Expense Ratio limit of the Fund as defined under the NBFC Regulations.

- 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 currently charged such expenses at the rate of 0.55% and 0.7% (2024: 0.55% and ranging from 0% to 0.67% for Class A and Class B respectively) of the daily net assets of the Fund for Class A and Class B, respectively until September 8, 2024 during the year ended June 30, 2025 for allocation of such expenses to 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.

- 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 charged selling and marketing expenses at the rate of nil (2024: nil) for Class A and at the rate of nil (2024: 0% to 1.05%) for Class B during the year ended June 30, 2025 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.

- 9.5** 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 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. 55.961 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 Net Asset Value of the Fund for Class B would have been higher by Re 0.89 (2024: Re 0.84) per unit.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	Remuneration payable to the Trustee	10.1	905	345	1,250	253	118	371
	Sindh Sales Tax payable on remuneration of the Trustee	10.2	136	52	188	33	15	48
	CDS charges payable		-	-	-	-	13	13
			<u>1,041</u>	<u>397</u>	<u>1,438</u>	<u>286</u>	<u>146</u>	<u>432</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 remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets	Fee
- Up to Rs 1,000 million	0.2% of the net assets
- From Rs. 1,000 million to Rs. 5,000 million	Rs. 2.0 million plus 0.10% exceeding Rs. 1,000 million

**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 from July 1, 2024 vide Sindh Finance Act, 2024.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF 'PAKISTAN	Note	2025			2024		
			Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----								
	Annual fee payable	11.1	<u>339</u>	<u>70</u>	<u>409</u>	<u>164</u>	<u>54</u>	<u>218</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). Accordingly, the Fund has charged SECP fee at the rate of 0.095% per annum (2024: 0.095%) 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.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	2025			2024		
		Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----							
	Auditors' remuneration	680	367	1,047	502	186	688
	Security transaction costs	-	24	24	-	62	62
	Brokerage payable	-	260	260	-	221	221
	Withholding tax	54	2,283	2,337	37	8,510	8,547
	Zakat payable	1,807	57	1,864	-	47	47
	Other payables	199	1,359	1,558	42	1,077	1,119
		<u>2,740</u>	<u>4,350</u>	<u>7,090</u>	<u>581</u>	<u>10,103</u>	<u>10,684</u>

**13 CONTINGENCIES AND COMMITMENTS**

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

**14 AUDITORS' REMUNERATION**

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
	-----Rupees in '000-----					
Annual audit fee	451	155	606	347	119	466
Half yearly review	302	104	406	232	80	312
Tax consultancy fee and other certification	263	77	340	152	52	204
Out of pocket expenses	113	39	152	96	21	117
	1,129	375	1,504	827	272	1,099
Sales tax	90	30	120	66	22	88
	1,219	405	1,624	893	294	1,187

**15 TOTAL EXPENSE RATIO**

The Total Expense Ratio (TER) of the Fund as at June 30, 2025 of is 1.72% and 5.17% (2024: 2.59% and 4.86%) which includes 0.3% and 0.81% (2024: 0.31% and 0.55%) representing government levies on the Fund such as Sales Taxes and annual fee to the SECP etc. for Class A and Class B respectively. This maximum ratio limit as prescribed under the NBFC Regulation for a collective investment scheme categorised as an 'Equity scheme' is 4.5% which is required to be complied on an annual basis by the Fund. As more fully disclosed in note 8, TER of the Fund's Class B was in breach as per the prescribed regulations. Therefore, to comply with the regulations, the Fund has recorded a receivable from the Management Company amounting to Rs. 4.40 million (2024: 3.03 million)

During the year ended June 30, 2025, the SECP, vide S.R.O.600(1)/2025 dated April 10, 2025, has removed the Total Expense Ratio Caps (TER) with effect from July 1, 2025. The TER limit, applicable previously, has been replaced with the management fee cap which has been disclosed in note 9.1 to the 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 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, accordingly 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.

**17 NUMBER OF UNITS IN ISSUE**

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
	-----Number of units-----					
Total outstanding as of July 1	284,125,000	66,976,913	351,101,913	284,125,000	74,365,497	358,490,497
Add: Issued during the year	-	9,437,414	9,437,414	-	9,951,481	9,951,481
Less: Redemptions during the year	-	(13,275,722)	(13,275,722)	-	(17,340,065)	(17,340,065)
Total units in issue as of June 30	284,125,000	63,138,604	347,263,604	284,125,000	66,976,913	351,101,913

**18 TRANSACTIONS AND BALANCES WITH 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 the 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 and the Trust Deed.

Transactions with connected persons essentially comprise of 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 in the normal course of business.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

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

**18.1 Transactions during the year**

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
<b>HBL Asset Management Limited</b>						
<b>- Management Company</b>						
Remuneration of the Management Company	47,872	34,360	82,232	33,345	16,327	49,672
Allocation of expenses related to registrar services, accounting, operation and valuation services	2,430	1,094	3,524	10,820	2,427	13,247
Selling and marketing expenses	-	-	-	-	4,011	4,011
Reimbursement of expenses from Management Company	-	(4,404)	(4,404)	-	(3,033)	(3,033)
<b>Habib Bank Limited - Sponsor</b>						
Dividend income	-	732	732	-	3,337	3,337
Bank profit	-	94	94	-	128	128
Issuance of 8 (2024: 29) units *	-	-*	-	-	-	-
<b>Habib Bank Limited</b>						
<b>Treasury Division - Sponsor</b>						
Issuance of 67,817 (2024: Nil) units *	-	1,084	1,084	-	-	-
Redemption of 67,817 (2024: Nil) units	-	928	928	-	-	-
<b>HBL Micro Finance Bank</b>						
<b>(formerly The First Microfinance Bank) - Associated Company</b>						
Bank profit	15,703	422	16,125	40,812	4,678	45,490



**Central Depository Company of**

**Pakistan Limited - Trustee**

Trustee remuneration

2025			2024		
Class A	Class B	Total	Class A	Class B	Total
4,973	1,332	6,304	3,138	1,039	4,177

CDC connection charges

-	206	206	-	171	171
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**Jubilee General Insurance Company**

**Limited - Associated Company**

Issuance of 1,746 (2024: 6779) units

-	30	30	-	70	70
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**Jubilee General Insurance Company**

**Limited Staff Provident Fund Trust -**

**Associated Undertaking**

Issuance of 1,795 (2024: 6,588) units

-	36	36	-	68	68
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**Jubilee General Insurance Company**

**Limited Gratuity Fund Trust -**

**Associated Undertaking**

Issuance of 3,275 (2024: 15,129) units

-	67	67	-	157	157
---	----	----	---	-----	-----

**National Investment Trust Limited**

**Administration Fund -**

**Associated Undertaking**

Issuance of 4,255 (2024: 15,129) units

-	53	53	-	35	35
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Dividend Paid

-	50	50	-	-	-
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**MCB Bank Limited - Connected Person**

**due to holding more than 10% units**

Bank profit

6,330	-	6,330	36	22,380	22,416
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Dividend income

-	-	-	-	1,187	1,187
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**Humera Iqbal - Connected Person (Due**

**to holding more than 10% units)**

Issuance of 166,963 (2024: 634,990) units

-	2,866	2,866	-	6,581	6,581
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**Directors and Executives of the**

Issuance of 16,890 (2024: 1,760) units

-	257	257	-	-	-
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Redemption of 16,477 (2024: Nil) units

-	248	248	-	18	18
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**18.2 Balances outstanding at the year end**

**HBL Asset Management Limited -**

**Management Company**

Management remuneration payable

3,565	2,802	6,367	2,583	1,710	4,293
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Sindh Sales Tax payable on

Management remuneration payable

535	420	955	336	222	558
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Allocation of expenses related to

registrar services, accounting, operation

and valuation services payable

-	-	-	947	-	947
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Selling and marketing expense payable

-	-	-	-	633	633
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Provision for Federal excise duty on

remuneration of Management Company

-	55,961	55,961	-	55,961	55,961
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	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----						
<b>Habib Bank Limited - Sponsor</b>						
Outstanding 28,062,661 (2024: 28,062,661) units	426,919	-	426,919	78,014	-	78,014
Outstanding 410 (2024: 402) units	-	6	6	-	4	4
Bank balance	-	689	689	-	689	689
<b>HBL Micro Finance Bank (formerly The First Microfinance Bank) - Associated Company</b>						
Bank balance	238,847	407	239,254	221,739	4,453	226,192
Profit receivable	448	40	488	3,803	76	3,879
<b>Jubilee General Insurance Company Limited - Associated Company</b>						
Outstanding 111,858 (2024: 110,112)	-	1,645	1,645	-	1,141	1,141
<b>Jubilee General Insurance Company Limited Staff Provident Fund Trust - Associated Undertaking</b>						
Outstanding 118,454 (2024: 118,454) units	1,802	-	1,802	329	-	329
Outstanding 130,323 (2024: 128,528) units	-	1,917	1,917	-	1,332	1,332
<b>Jubilee General Insurance Company Limited Gratuity Fund Trust - Associated Undertaking</b>						
Outstanding 224,000 (2024: 224,000) units	3,408	-	3,408	623	-	623
Outstanding 248,995 (2024: 245,720) units	-	3,662	3,662	-	2,547	2,547
<b>Aga Khan University Employees Provident Fund Trust - Associated Undertaking</b>						
Outstanding Nil (2024: 588,000) units	-	-	-	1,635	-	1,635
<b>Aga Khan University Employees Gratuity Fund Trust - Associated Undertaking</b>						
Outstanding Nil (2024: 138,000) units	-	-	-	384	-	384
<b>MCB Bank Limited Connected person - due to holding more than 10% units</b>						
Bank balance	212	114,385	114,597	212	103,620	103,832
Profit receivable	6,330	3,929	10,259	-	1,489	1,489
Outstanding 66,090,021 (2024: 66,090,021) units	1,005,432	-	1,005,432	183,730	-	183,730

	2025			2024		
	Class A	Class B	Total	Class A	Class B	Total
-----Rupees in '000-----						
<b>Central Depository Company Of</b>						
<b>Pakistan Limited - Trustee</b>						
Trustee remuneration	905	345	1,250	253	118	371
Sindh Sales Tax payable on						
Trustee remuneration	136	52	188	33	15	48
Security deposit with trustee	100	200	300	100	200	300
CDS charges payable	-	-	-	-	13	13
<b>National Investment Trust Limited</b>						
<b>Administration Fund -</b>						
<b>Associated Undertaking</b>						
Outstanding 60,720 (2024: 60,720) units	924	-	924	169	-	169
Outstanding 70,139 (2024: 65,884) units	-	1,032	1,032	-	683	683
<b>CDC - Trustee National Investment</b>						
<b>(Unit) Trust - Associated Undertaking</b>						
Outstanding 10,108,128						
(2024: 10,108,128) units	153,776	-	153,776	28,101	-	28,101
<b>Humera Iqbal</b>						
<b>- Connected Person (Due to holding</b>						
<b>more than 10% units)</b>						
Outstanding 10,481,620						
(2024: 10,314,657) units	-	154,160	154,160	-	106,911	106,911
<b>Directors and Executives of the</b>						
<b>Management Company</b>						
Outstanding 26,195						
(2024: 26,195) units	399	-	399	73	-	73
Outstanding 28,985						
(2024: 28,572) units	-	426	426	-	296	296

**19 FINANCIAL INSTRUMENTS BY CATEGORY**

	Class A		
	2025		
	At amortised cost	At fair value through other comprehensive income	Total
-----Rupees in '000-----			
<b>Financial assets</b>			
Bank balances	257,415	-	257,415
Investments	-	4,153,819	4,153,819
Dividend and profit receivable	15,260	-	15,260
Deposits	100	-	100
	272,775	4,153,819	4,426,594
<b>Financial liabilities</b>			
Payable to HBL Asset Management Limited - Management Company	4,100	-	4,100
Payable to Central Depository Company of Pakistan Limited - Trustee	1,041	-	1,041
Accrued expenses and other liabilities	879	-	879
Dividend payable	2,323	-	2,323
Unclaimed Dividend	93,761	-	93,761
	102,104	-	102,104

**Financial assets**

Bank balances	
Investments	
Dividend and profit receivable	
Deposits	
Receivable from HBL Asset Management Limited - Management Company	

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company	
Payable to Central Depository Company of Pakistan Limited - Trustee	
Accrued expenses and other liabilities	
Dividend payable	
Unclaimed dividend	

-----Class B-----		
-----2025-----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
134,084	-	134,084
-	933,902	933,902
4,839	-	4,839
2,700	-	2,700
4,404	-	4,404
<u>146,027</u>	<u>933,902</u>	<u>1,079,929</u>
59,183	-	59,183
397	-	397
2,010	-	2,010
2,233	-	2,233
85,849	-	85,849
<u>149,672</u>	<u>-</u>	<u>149,672</u>

**Financial assets**

Bank balances	
Investments	
Dividend and profit receivable	
Deposits	

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company	
Payable to Central Depository Company of Pakistan Limited - Trustee	
Accrued expenses and other liabilities	
Dividend payable	

-----Class A-----		
-----2024-----		
At amortised cost	At fair value through other comprehensive income	Total
-----Rupees in '000-----		
233,355	-	233,355
-	1,858,820	1,858,820
8,257	-	8,257
100	-	100
<u>241,712</u>	<u>1,858,820</u>	<u>2,100,532</u>
3,866	-	3,866
286	-	286
544	-	544
76,868	-	76,868
<u>81,564</u>	<u>-</u>	<u>81,564</u>

**Financial assets**

Bank balances	
Investments	
Dividend and profit receivable	
Receivable against sale of investments	
Deposits	
Receivable from HBL Asset Management Limited - Management Company	

-----Class B-----		
-----2024-----		
At amortised cost	At fair value through profit or loss	Total
-----Rupees in '000-----		
139,826	-	139,826
-	701,105	701,105
2,294	-	2,294
17,102	-	17,102
2,700	-	2,700
3,033	-	3,033
<u>164,955</u>	<u>701,105</u>	<u>866,060</u>

-----Class B-----			
-----2024-----			
At amortised cost	At fair value through profit or loss	Total	
-----Rupees in '000-----			
Payable to HBL Asset Management Limited - Management Company	2,565	-	2,565
Payable to Central Depository Company of Pakistan Limited - Trustee	146	-	146
Payable against purchase of investments	18,950	-	18,950
Accrued expenses and other liabilities	1,546	-	1,546
Unclaimed dividend	86,015	-	86,015
	<u>109,222</u>	<u>-</u>	<u>109,222</u>

## 20 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.

### 20.1 Market risk

Market 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.

The Management Company manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee.

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

#### (i) 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 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 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 income and net assets of the Class A would have been higher / lower by Rs. 2.574 million (2024: Rs. 2.334 million) and the net income for the year and net assets of the Class B would have been higher / lower by Rs. 1.341 million (2024: Rs. 1.398 million).

#### b) Sensitivity analysis for fixed rate instruments

As at June 30, 2025 and June 30, 2024, the Fund did 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.

Yield / interest 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:

**CLASS - A**

-----As at June 30, 2025-----					
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**

Bank balances	7.48% to 11.25%	257,415	-	-	-	257,415
Investments		-	-	-	4,153,819	4,153,819
Dividend and profit receivable		-	-	-	15,260	15,260
Deposits		-	-	-	100	100
		257,415	-	-	4,169,179	4,426,594

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company		-	-	-	4,100	4,100
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,041	1,041
Accrued expenses and other liabilities		-	-	-	879	879
Dividend payable		-	-	-	2,323	2,323
Unclaimed Dividend		-	-	-	93,761	93,761

- - - - - 102,104 102,104

**On-balance sheet gap (a)**

257,415 - - 4,067,075 4,324,490

**Off-balance sheet financial instruments**

- - - - -

**Off-balance sheet gap (b)**

- - - - -

**Total interest rate sensitivity gap (a+b)**

257,415 - -

**Cumulative interest rate sensitivity gap**

257,415 257,415 257,415

**CLASS - B**

-----As at June 30, 2025-----					
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**

Bank balances	7.48% to 11.25%	134,084	-	-	-	134,084
Investments		-	-	-	933,902	933,902
Dividend and profit receivable		-	-	-	4,839	4,839
Deposits		-	-	-	2,700	2,700
Receivable from HBL Asset Management Limited - Management Company		-	-	-	4,404	4,404
		134,084	-	-	945,845	1,079,929

-----As at June 30, 2025-----					
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 -----					
<b>Financial liabilities</b>					
Payable to HBL Asset Management Limited - Management Company	-	-	-	59,183	59,183
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	397	397
Accrued expenses and other liabilities	-	-	-	2,010	2,010
Dividend payable	-	-	-	2,233	2,233
Unclaimed dividend	-	-	-	85,849	85,849
	-	-	-	149,672	149,672
<b>On-balance sheet gap (a)</b>	134,084	-	-	796,173	930,257
<b>Off-balance sheet financial instruments</b>	-	-	-	-	-
<b>Off-balance sheet gap (b)</b>	-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>	134,084	-	-		
<b>Cumulative interest rate sensitivity gap</b>	134,084	134,084	134,084		

**CLASS - A**

-----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 -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	15.50% to 22%	233,355	-	-	233,355
Investments		-	-	1,858,820	1,858,820
Dividend and profit receivable		-	-	8,257	8,257
Deposits		-	-	100	100
		233,355	-	1,867,177	2,100,532
<b>Financial liabilities</b>					
Payable to HBL Asset Management Limited - Management Company		-	-	3,866	3,866
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	286	286
Accrued expenses and other liabilities		-	-	544	544
Dividend payable		-	-	76,868	76,868
		-	-	81,564	81,564
<b>On-balance sheet gap (a)</b>		233,355	-	1,785,613	2,018,968
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		233,355	-		
<b>Cumulative interest rate sensitivity gap</b>		233,355	233,355	233,355	

**CLASS - B**

-----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**

Bank balances	15.50% to 22%	139,826	-	-	-	139,826
Investments		-	-	-	701,105	701,105
Dividend and profit receivable		-	-	-	2,294	2,294
Receivable against sale of investments		-	-	-	17,102	17,102
Deposits		-	-	-	2,700	2,700
Receivable from HBL Asset Management Limited - Management Company		-	-	-	3,033	3,033
		139,826	-	-	726,234	866,060

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company		-	-	-	2,565	2,565
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	146	146
Payable against purchase of investments		-	-	-	18,950	18,950
Accrued expenses and other liabilities		-	-	-	1,546	1,546
Unclaimed dividend		-	-	-	86,015	86,015
		-	-	-	109,222	109,222

<b>On-balance sheet gap (a)</b>		139,826	-	-	617,012	756,838
<b>Off-balance sheet financial instruments</b>		-	-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		139,826	-	-	-	-
<b>Cumulative interest rate sensitivity gap</b>		139,826	139,826	139,826	-	-

**(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 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 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 also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.



In case of 5% increase / decrease in the fair value of the Fund's Class A equity securities on June 30, 2025, net assets of the Fund would have increased / decreased by Rs. 207.691 million (2024: Rs. 92.941 million) as a result of losses / gains on equity securities in 'at fair value through other comprehensive income' category, with corresponding effect on other comprehensive income reported in 'Statement of Comprehensive Income'.

In case of 5% increase / decrease in the fair value of the Fund's Class B equity securities on June 30, 2025, net assets of the Fund would have increased / decreased by Rs. 46.696 million (2024: Rs. 35.055 million) as a result of gains / losses on equity securities in 'fair value through profit and loss' category, with corresponding effect on operating income reported in 'Income Statement'.

The analysis is based on the assumption that 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 100 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 the KSE 100 Index.

## **20.2 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 the 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, the fund can borrow in the short term to ensure settlement subject to the minimum limit which is fifteen percent of the net assets up to 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 ended June 30, 2025.

The Fund has a policy to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off. The Fund's listed securities are considered readily realisable, as they are listed on the Pakistan Stock Exchange Limited.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market.

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

----- Class A -----						
-----2025-----						
Within 1 month	More than one month and upto three	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial instruments with no fixed	Total

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

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities  
Unclaimed Dividend  
Dividend payable

4,100	-	-	-	-	-	4,100
1,041	-	-	-	-	-	1,041
199	680	-	-	-	-	879
93,761	-	-	-	-	-	93,761
2,323	-	-	-	-	-	2,323
101,424	680	-	-	-	-	102,104

----- Class B -----						
-----2025-----						
Within 1 month	More than one month and upto three	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial instruments with no fixed	Total

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

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities  
Dividend payable  
Unclaimed dividend

59,183	-	-	-	-	-	59,183
397	-	-	-	-	-	397
1,643	367	-	-	-	-	2,010
2,233	-	-	-	-	-	2,233
85,849	-	-	-	-	-	85,849
149,305	367	-	-	-	-	149,672

----- Class A -----						
-----2024-----						
Within 1 month	More than one month and upto three	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial instruments with no fixed	Total

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

**Financial liabilities**

Payable to HBL Asset Management Limited - Management Company  
Payable to Central Depository Company of Pakistan Limited - Trustee  
Accrued expenses and other liabilities  
Dividend payable

3,866	-	-	-	-	-	3,866
286	-	-	-	-	-	286
42	502	-	-	-	-	544
76,868	-	-	-	-	-	76,868
81,062	502	-	-	-	-	81,564

----- Class B -----						
-----2024-----						
Within 1 month	More than one month and upto three	More than three months and upto one	More than one year and upto five years	More than 5 years	Financial instruments with no fixed	Total

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

**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  
Unclaimed dividend

2,565	-	-	-	-	-	2,565
146	-	-	-	-	-	146
18,950	-	-	-	-	-	18,950
1,360	186	-	-	-	-	1,546
86,015	-	-	-	-	-	86,015
109,036	186	-	-	-	-	109,223

## 20.3 Credit risk

**20.3.1** 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	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
<b>CLASS A</b>				
Bank balances	257,415	257,415	233,355	233,355
Investments	4,153,819	-	1,858,820	-
Dividend and profit receivable	15,260	15,260	8,257	8,257
Deposits	100	100	100	100
	<u>4,426,594</u>	<u>272,775</u>	<u>2,100,532</u>	<u>241,712</u>

	2025		2024	
	Balance as per statement of assets and	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
----- Rupees in '000 -----				
<b>CLASS B</b>				
Bank balances	134,084	134,084	139,826	139,826
Investments	933,902	-	701,105	-
Dividend and profit receivable	4,839	4,839	2,294	2,294
Receivable against sale of investments	-	-	17,102	17,102
Deposits	2,700	2,700	2,700	2,700
Receivable from HBL Asset Management Limited - Management Company	4,404	4,404	3,033	3,033
	<u>1,079,929</u>	<u>146,027</u>	<u>866,060</u>	<u>164,955</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2025 and June 30, 2024 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.

## 20.3.2 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, dividend receivable, other receivables and receivable against sale of units. The credit rating profile of balances with banks is as follows:

Rating category	Class A		Class B	
	2025	2024	2025	2024
AAA	0.39%	0.12%	11.12%	13.01%
AA	0.00%	0.00%	0.01%	0.00%
AA-	0.23%	0.48%	1.58%	2.81%
A+	5.41%	10.69%	0.11%	0.52%
A	0.00%	0.00%	0.0011%	0.02%
B	0.0020%	0.00%	0.0031%	0.00%
	<u>6.03%</u>	<u>11.29%</u>	<u>12.81%</u>	<u>16.36%</u>

### 20.3.3 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.

## 21 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 statement of assets and liabilities 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 other comprehensive income'

Quoted equity securities

Class 'A			
2025			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
4,153,819	-	-	4,153,819

Financial assets 'at fair value through profit or loss'

Quoted equity securities

Class 'B			
2025			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
933,902	-	-	933,902

Financial assets 'at fair value through other comprehensive income'

Quoted equity securities

Class 'A			
2024			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
1,858,820	-	-	1,858,820

Financial assets 'at fair value through profit or loss'

Quoted equity securities

Class 'B			
2024			
Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----			
701,105	-	-	701,105

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.

## 22 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 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 20, 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.

23 UNIT HOLDING PATTERN OF THE FUND

Class A				
As at June 30, 2025				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Associated Companies and Directors	9	38,600,158	587,227	13.59%
NIT and ICP	19	40,900	622	0.01%
Banks, DFI and NBF	23	75,979,329	1,155,880	26.75%
Insurance Companies	13	5,752,267	87,510	2.02%
Mutual Funds	4	6,179,239	94,005	2.17%
Individual	14,801	132,792,500	2,020,182	46.74%
Foreign Individuals	168	9,486,396	144,317	3.34%
Others	87	15,288,127	232,579	5.38%
Modarabas *	4	6,084	93	-
	<b>15,128</b>	<b>284,125,000</b>	<b>4,322,415</b>	<b>100%</b>

\* Nil figures due to rounding off

Class B				
As at June 30, 2025				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Associated Companies and Directors	6	590,710	8,688	0.94%
Individuals	14,541	46,804,052	688,375	74.13%
Bank and DFIs	15	1,325,386	19,493	2.10%
Insurance Companies	13	6,375,281	93,765	10.10%
Trusts	8	517,440	7,611	0.82%
Retirement Funds	8	6,942,481	102,107	11.00%
Others	102	577,702	8,499	0.92%
Foreign Individual	3	5,552	82	0.01%
	<b>14,696</b>	<b>63,138,604</b>	<b>928,620</b>	<b>100%</b>

Class A				
As at June 30, 2024				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Associated Companies and Directors	9	39,326,158	279,465	13.84%
NIT and ICP	19	40,900	291	0.01%
Banks, DFI and NBF	23	75,979,329	539,934	26.75%
Insurance Companies	13	5,752,267	40,877	2.02%
Mutual Funds *	4	6,179,239	43,912	0
Individual	14,801	132,066,500	938,507	46.49%
Foreign Individuals	168	9,486,396	67,413	3.34%
Others	87	15,288,127	108,642	5.38%
Modarabas *	4	6,084	44	-
	<b>15,128</b>	<b>284,125,000</b>	<b>2,019,085</b>	<b>100%</b>

\* Nil figures due to rounding off

Class B				
As at June 30, 2024				
Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
Rupees in '000				
Associated Companies and Directors	7	579,219	6,004	0.86%
Individuals	14,682	50,506,235	523,496	75.41%
NBFCs	14	1,340,181	13,891	2.00%
Banks and DFIs	13	6,270,049	64,988	9.36%
Directors	12	6,309,906	65,403	9.42%
Trusts	5	1,521,504	15,770	2.27%
Retirement Funds	103	444,362	4,606	0.67%
Others	1	5,457	57	0.01%
	<b>14,837</b>	<b>66,976,913</b>	<b>694,215</b>	<b>100%</b>

**24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION**

2025	2024
Name of broker	Name of broker
Intermarket Securities Limited	Intermarket Securities Limited
Next Capital Limited	EFG Hermes Pakistan Limited
Arif Habib Limited	Alfalah Securities (Private) Limited (Formerly) Alfalah
JS Global Capital Ltd	CLSA Securities (Private) Limited
DJM Securities Limited	Arif Habib Limited
Topline Securities Limited	Optimus Capital Management (Private) Limited
Integrated Equities Limited	JS Global Capital Limited
AKD Securities Limited	Topline Securities (Private) Limited
Chase Securities Pakistan (Private) Limited	DJM Securities Limited
KTrade Securities Limited	Fortune Securities Limited
Sherman Securities (Private) Limited	Sherman Securities (Private) Limited

**25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE**

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 + years
2	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29+ years
3	Amin Muhammad	Head of Risk	MBA	32 + years
4	Wasim Akram	Senior Fund Manager	MBA	21 + years

**26 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:

S. No.	Name of director	Number of meetings			Meeting 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 and June 4, 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	-	May 26, 2025, May 27, 2025 and June 4, 2025
7	Mr. Khalid Malik	9	9	-	-
8	Mr. Habib Yousuf Habib *	9	3	1	May 27, 2025
9	Ms. Sheeza Ahmed *	9	3	-	-

**27 GENERAL**

**27.1** Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

**27.2** Figures have been rounded off to the nearest thousand rupees.

**28 DATE OF AUTHORISATION FOR ISSUE**

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

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

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**Chief Financial Officer**

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**Chief Executive Officer**

---

**Director**





**HBL** Financial Sector  
Income Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	<b>HBL FINANCIAL SECTOR INCOME FUND</b>
<b>NAME OF AUDITOR</b>	<b>BDO Ebrahim &amp; Co. Chartered Accountants</b>
<b>NAME OF TRUSTEE</b>	<b>Central Depository Company of Pakistan Limited.</b>
<b>NAME OF BANKERS</b>	<b>Habib Bank Limited Soneri Bank Limited Allied Bank Limited Bank Alfalah Limited Finca Microfinance Bank Limited HBL Microfinance Bank Limited Khushali Microfinance Bank Limited Meezan Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited United Bank Limited</b>
<b>FUND RATING</b>	<b>FSIF PLAN I “A+(f)” (JCR - VIS) FSIF PLAN II “AA-(f)” (JCR - VIS)</b>

**Type and Category of Fund**

Open end Income Fund

**Investment Objective and Accomplishment of Objective**

The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

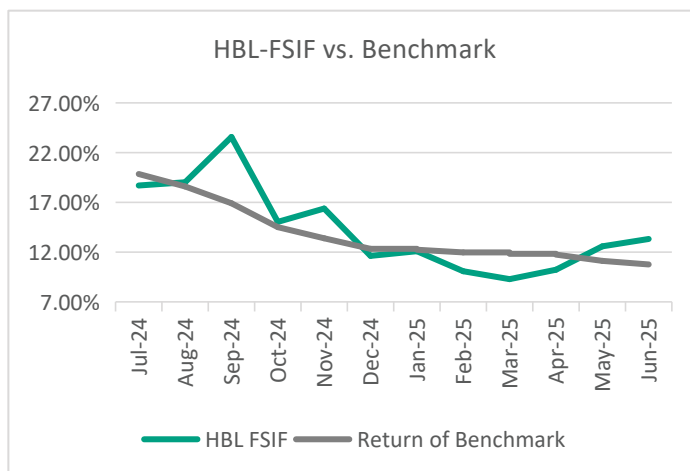
**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is 75% six (6) months KIBOR rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

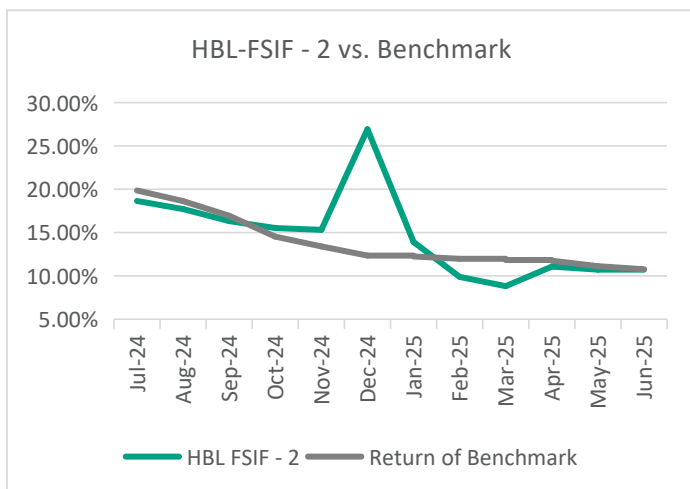
The comparison of the fund return with benchmark is given below:

HBL Financial Sector Income Fund – Plan-I

Month	Return of Fund	
	HBL -FSIF-1	Benchmark
Jun-25	13.32%	10.76%
May-25	12.58%	11.12%
Apr-25	10.23%	11.75%
Mar-25	9.28%	11.83%
Feb-25	10.08%	11.97%
Jan-25	12.09%	12.24%
Dec-24	11.62%	12.33%
Nov-24	16.38%	13.39%
Oct-24	15.04%	14.51%
Sep-24	23.57%	16.91%
Aug-24	19.02%	18.60%
Jul-24	18.70%	19.85%



Month	Return of Fund	
	HBL -FSIF-2	Benchmark
Jun-25	10.90%	10.76%
May-25	10.72%	11.12%
Apr-25	11.07%	11.75%
Mar-25	8.81%	11.83%
Feb-25	9.88%	11.97%
Jan-25	13.91%	12.24%
Dec-24	26.93%	12.34%
Nov-24	15.31%	13.40%
Oct-24	15.52%	14.53%
Sep-24	16.32%	16.94%
Aug-24	17.71%	18.63%
Jul-24	18.64%	19.86%



## Strategies and Policies employed during the Year

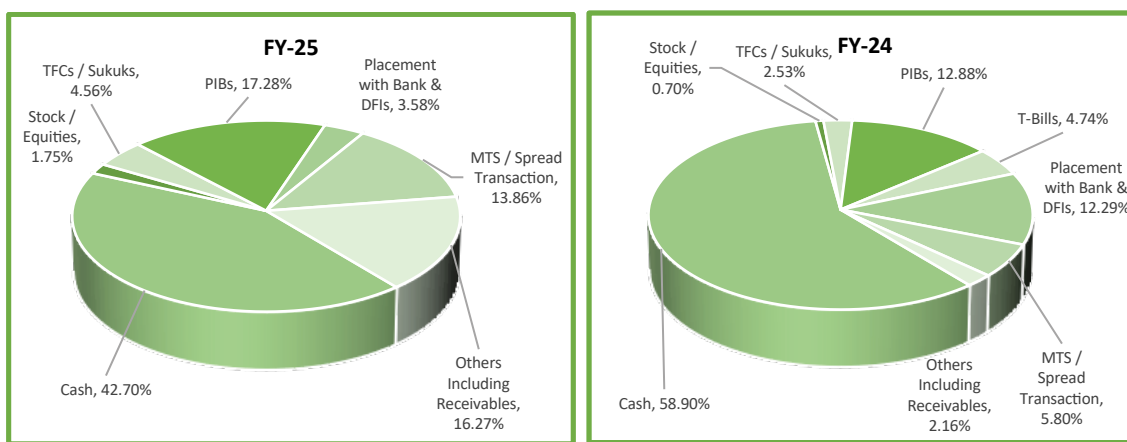
### Plan-I

As at June end, cumulative exposure in Financial Sector Placements along with bank deposits accounted for 46.28% of total assets. Government securities accounted for 17.28%, MTS/ Spread transactions for 13.86% and TFCs/Sukuks accounted for 4.56% of total assets. Due to high rate of returns in fixed income, the fund maintained a sizable cash balance with Commercial Banks and Micro Finance Banks.

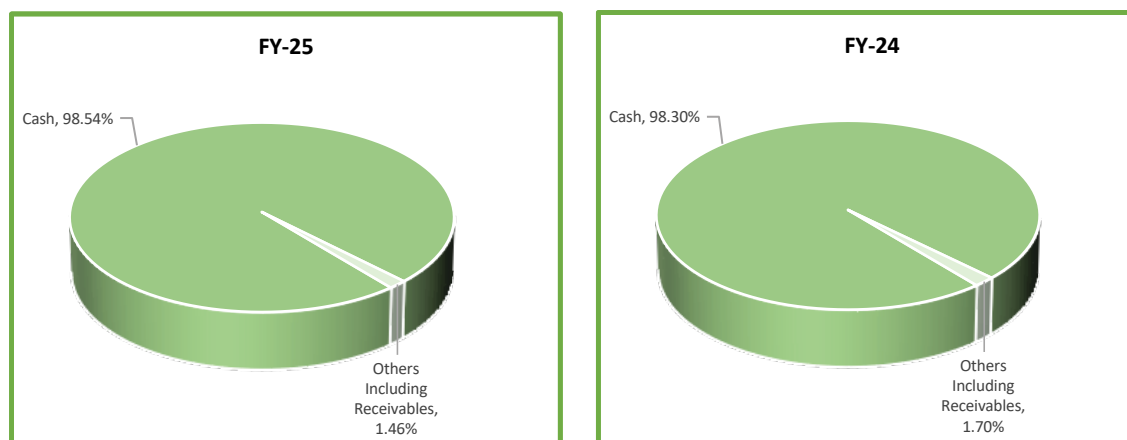
### Plan-II

As at June end, the overall exposure in Financial Sector Placements was as bank deposits which accounted for 98.54% of total assets. The Fund invested majority of the amount in DPAs with Commercial Banks at attractive rate of returns.

**Asset Allocation Plan I**



**Asset Allocation Plan II**



## Fund Performance

### HBL Financial Sector Income Fund

The Fund as a whole earned a total and net income of Rs. 8.82 billion and Rs. 7.90 billion respectively. The collective size of the Fund as at June 30, 2025 was 20.43 billion. Performance of each plan is presented below.

### **HBL Financial Sector Income Fund – Plan-I**

The total income and net income of the Fund was Rs. 8.10 billion and Rs. 7.21 billion respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.4369 per unit as on June 30, 2025 (after incorporating dividend of Rs. 15.20 per unit) as compared to Rs. 102.0570 per unit as on June 30, 2024, thereby giving an annualized return of 15.32%. During the same period, the benchmark (6 Month KIBOR) return was 13.79%. The size of Fund was Rs. 11.26 billion as on June 30, 2025 as compared to Rs. 50.71 billion as at start of the year.

### **HBL Financial Sector Income Fund – Plan-II**

The Financial Sector Income Fund Plan-II commenced its operations on February 20, 2024.

The total income and net income of the Fund was Rs. 721.19 million and Rs. 690.41 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.0000 per unit as on June 30, 2025 (after incorporating dividends of Rs. 14.7426 per unit) thereby giving an annualized return of 15.72%. During the same period, the benchmark return was 13.79%. The size of Fund was Rs. 9.17 billion as on June 30, 2025.

### **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.

### **Distribution**

The Fund has distributed cash dividend up-to Rs. 15.2 per unit for the year ended June 30, 2024 from HBL Financial Sector Income Fund Plan-I and Rs. 14.7 per unit from HBL Financial Sector Income Fund Plan-II.

### **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 – Plan-I

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	1,160	16,273
101 – 500	204	47,378
501 – 1,000	100	80,219
1,001 – 10,000	394	1,636,318
10,001 – 100,000	294	8,740,554
500,001 – 1,000,000	11	7,003,265
100,001 – 500,000	82	19,792,037
1,000,001 – 5,000,000	12	23,620,574
5,000,001 and above	5	48,940,613
Total	2,262	109,877,231

#### Breakdown of Unit Holding by Size – Plan-II

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	-	-
101 – 500	-	-
501 – 1,000	-	-
1,001 – 10,000	-	-
10,001 – 100,000	-	-
500,001 – 1,000,000	-	-
100,001 – 500,000	-	-
1,000,001 – 5,000,000	-	-
5,000,001 and above	2	91,709,728
Total	2	91,709,728

#### 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 –  
FINANCIAL SECTOR INCOME FUND**  
As at June 30, 2025

HBL Financial Sector Income Fund Plan-I	2025	2024	2023
Net assets at the period end (Rs'000)	11,255,485	50,709,379	27,434,480
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>			
Redemption	102.4369	102.0570	100.8692
Offer	104.7929	104.4043	103.1488
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>			
† Highest offer price per unit	119.9295	105.9376	104.3315
† Lowest offer price per unit	104.4720	103.1892	100.3036
Highest redemption price per unit	117.2331	103.5558	102.0257
Lowest redemption price per unit	102.1232	100.8692	100.0454
<b>RETURN ( % )</b>			
† Total return	15.32%	22.11%	18.26%
† Income distribution	14.89%	19.79%	16.07%
Capital growth	0.43%	2.32%	2.19%
<b>DISTRIBUTION</b>			
Final dividend distribution (Rs)	15.2000	19.9619	16.0773
Date of Income Distribution	27-Jun-25	Various dates	Various dates
Total dividend distribution for the year/ period (Rs)	15.2000	19.9619	16.0773
<b>AVERAGE RETURNS ( % )</b>			
Average annual return 1 year	15.32%	22.11%	18.26%
Weighted average portfolio during (No. of days)	726	243	188
<b>PORTFOLIO COMPOSITION - (%)</b>			
Percentage of Total Assets as at 30 June:			
Bank Balances	57.22%	58.90%	77.45%
TFCs	4.56%	2.53%	5.07%
PIBs	17.28%	12.88%	1.30%
Tbill	0.00%	4.74%	0.35%
Placement with Banks and DFIs	3.58%	12.29%	9.79%
MTS / Spread Transaction	13.86%	5.80%	2.56%
Investment in ETF	1.75%		
Others Including receivables	1.75%	2.86%	3.48%

**Note:**

† The Launch date of the Fund is January 18, 2022

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

**PERFORMANCE TABLE –  
FINANCIAL SECTOR INCOME FUND**  
As at June 30, 2025

HBL Financial Sector Income Fund Plan-II	2025	2024
Net assets at the period end (Rs'000)	9,170,968	9,957,117
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>		
Redemption	100.0000	100.1090
Offer	102.3000	102.3715
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>		
† Highest offer price per unit	102.3000	102.3724
† Lowest offer price per unit	102.3000	100.0000
Highest redemption price per unit	100.0000	100.1090
Lowest redemption price per unit	100.0000	100.0000
<b>RETURN ( % )</b>		
† Total return	15.72%	18.51%
† Income distribution	14.73%	17.61%
Capital growth	0.99%	0.90%
<b>DISTRIBUTION</b>		
First Interim dividend distribution (Rs)	-	-
Date of Income Distribution		
Second Interim dividend distribution (Rs)	-	-
Date of Income Distribution		
Third Interim dividend distribution (Rs)	-	-
Date of Income Distribution		
Final dividend distribution (Rs)	14.7426	6.3693
Date of Income Distribution	Various dates	Various dates
Total dividend distribution for the year/ period (Rs)	14.7426	6.3693
<b>AVERAGE RETURNS ( % )</b>		
Average annual return 1 year	15.72%	18.51%
Weighted average portfolio during (No. of days)	1	1
<b>PORTFOLIO COMPOSITION - (%)</b>		
Percentage of Total Assets as at 30 June:		
Bank Balances	99.46%	98.30%
TFCs	0.00%	0.00%
PIBs	0.00%	0.00%
Tbill	0.00%	0.00%
Placement with Banks and DFIs	0.00%	0.00%
MTS / Spread Transaction	0.00%	0.00%
Commercial Paper	0.00%	0.00%
Others Including receivables	0.54%	1.70%

**Note:**

† The Launch date of the Fund is February 19, 2024

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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Email: info@cdcpak.com



**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL FINANCIAL SECTOR 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 Financial Sector 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 29, 2025





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Karachi-74200  
Pakistan

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL FINANCIAL SECTOR INCOME FUND

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of HBL Financial Sector 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.	<p>Existence and valuation of balances with banks and investments</p> <p>As disclosed in note 5 &amp; 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. 25,144.41 and Rs. 7,584.83 million which represent 88.01% of the total assets.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>We obtained independent confirmations for verifying the existence of balances with bank and the investment portfolio as at June 30, 2025 and traced it with books and records of the Fund;</li></ul>



S.NO	Key audit matter(s)	How the matter was addressed in our audit
	<p>The existence of bank balances 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.</p> <p>We considered existence of bank balance and existence and valuation of investment as Key audit matter due to significance of these in relation to net assets.</p>	<ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>

#### 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: AR202510166fN8ukQpTa

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

# HBL Financial Sector Income Fund

## Statement of Assets and Liabilities

As at June 30, 2025

Note	2025			2024		Total
	Plan I	Plan II	Total	Plan I	Plan II	
	----- (Rupees in '000) -----					
<b>ASSETS</b>						
Balances with banks	5	15,975,840	9,168,568	25,144,408	29,967,092	39,768,248
Investments	6	7,584,828	-	7,584,828	16,919,388	16,919,388
Receivable against margin trading system		3,869,617	-	3,869,617	2,952,796	2,952,796
Profit / mark-up receivable	7	504,347	49,583	553,930	1,029,039	1,198,293
Advances, deposits and prepayments	8	33,624	-	33,624	33,772	33,772
<b>TOTAL ASSETS</b>		<b>27,968,256</b>	<b>9,218,151</b>	<b>37,186,407</b>	<b>50,902,087</b>	<b>60,872,497</b>
<b>LIABILITIES</b>						
Payable to the HBL Asset Management Company - Management Company	9	56,727	744	57,471	95,765	100,451
Payable to the Central Depository Company - Trustee	10	3,279	267	3,546	3,566	4,255
Payable to Securities and Exchange Commission of Pakistan	11	2,850	231	3,081	3,147	3,755
Payable against purchase of investments		6,911	-	6,911	-	-
Payable against redemption of units		376,665	-	376,665	-	-
Payable against conversion of units		15,212,676	-	15,212,676	-	-
Accrued expenses and other liabilities	12	1,053,663	45,941	1,099,604	90,230	97,540
<b>TOTAL LIABILITIES</b>		<b>16,712,771</b>	<b>47,183</b>	<b>16,759,954</b>	<b>192,708</b>	<b>206,001</b>
<b>NET ASSETS</b>		<b>11,255,485</b>	<b>9,170,968</b>	<b>20,426,453</b>	<b>50,709,379</b>	<b>60,666,496</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>11,255,485</b>	<b>9,170,968</b>	<b>20,426,453</b>	<b>50,709,379</b>	<b>60,666,496</b>
<b>CONTINGENCIES AND COMMITMENTS</b>						
	13	----- (Number of Units) -----				
Number of units in issue	14	109,877,231	91,709,728	201,586,959	496,873,293	596,336,063
		----- (Rupees) -----				
Net assets value per unit		102.4369	100.0000	102.0570	100.1090	

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 Financial Sector Income Fund

## Income Statement

For the year ended June 30, 2025

	Note	2025		2024		For the period from February 20, 2024 to June 30, 2024	
		Plan I	Plan II	Total	Plan I	Plan II	Total
----- (Rupees in '000) -----							
<b>Income</b>							
Capital gain / (loss) on sale of investments - net		291,355	-	291,355	31,138	-	31,138
Income from Government securities		1,890,850	-	1,890,850	1,384,569	-	1,384,569
Income from money market transactions and placements		2,266,356	-	2,266,356	1,125,262	-	1,125,262
Income from corporate sukuk bonds		220,226	-	220,226	340,369	-	340,369
Mark-up from margin trading system		289,156	-	289,156	499,207	-	499,207
Mark-up on bank deposits		2,966,574	721,185	3,687,759	5,180,299	647,429	5,827,728
Dividend income on equity securities		60,178	-	60,178	123,818	-	123,818
		<u>7,984,695</u>	<u>721,185</u>	<u>8,705,880</u>	<u>8,684,662</u>	<u>647,429</u>	<u>9,332,091</u>
Unrealised (diminution) / appreciation on re-measurement of investments - classified as financial assets at 'fair value through profit or loss'	6.2	111,354	-	111,354	(705)	-	(705)
		<u>8,096,049</u>	<u>721,185</u>	<u>8,817,234</u>	<u>8,683,957</u>	<u>647,429</u>	<u>9,331,386</u>
<b>Expenses</b>							
Remuneration of the HBL Asset Management Company - Management Company	9.1	681,299	20,350	701,649	417,504	15,649	433,153
Sindh Sales Tax on remuneration of the Management Company	9.2	102,195	3,052	105,247	54,276	2,034	56,310
Remuneration of the Central Depository Company - Trustee	10.1	39,576	3,163	42,739	29,174	2,283	31,457
Sindh Sales Tax on remuneration of the Trustee	10.2	5,936	474	6,411	3,793	297	4,090
Annual fee to Securities and Exchange Commission of Pakistan	11.1	39,576	3,163	42,739	29,100	2,277	31,377
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services	9.3	315	-	315	84,104	-	84,104
Selling and marketing expenses	9.4	2,414	-	2,414	78,186	-	78,186
Auditors' remuneration	15	619	577	1,196	655	250	905
Fees and subscription		255	-	255	356	-	356
Securities transaction costs and settlement charges		15,341	-	15,341	22,148	-	22,148
Bank charges		401	-	401	768	-	768
Formation cost		160	-	160	169	-	169
		<u>888,087</u>	<u>30,779</u>	<u>918,867</u>	<u>720,233</u>	<u>22,790</u>	<u>743,023</u>
<b>Net income for the year before taxation</b>		<u>7,207,962</u>	<u>690,406</u>	<u>7,898,368</u>	<u>7,963,724</u>	<u>624,639</u>	<u>8,588,363</u>
Taxation	16	-	-	-	-	-	-
<b>Net income for the year after taxation</b>		<u>7,207,962</u>	<u>690,406</u>	<u>7,898,368</u>	<u>7,963,724</u>	<u>624,639</u>	<u>8,588,363</u>
<b>Allocation of net income for the year</b>							
Income already paid on redemption of units		6,284,986	-	6,284,986	2,892,819	-	2,892,819
Accounting income available for distribution:							
Relating to capital gains		51,567	-	51,567	19,378	-	19,378
Excluding capital gains		871,409	690,406	1,561,816	5,051,527	624,639	5,676,167
		<u>922,976</u>	<u>690,406</u>	<u>1,613,383</u>	<u>5,070,905</u>	<u>624,639</u>	<u>5,695,545</u>
		<u>7,207,962</u>	<u>690,407</u>	<u>7,898,369</u>	<u>7,963,724</u>	<u>624,639</u>	<u>8,588,363</u>
Earnings per unit	17						

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 Financial Sector Income Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

Plan I

	2025			2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	49,866,710	842,669	50,709,379	27,230,280	204,200	27,434,480
Issuance of 871,092,564 units (2024: 2,109,827,650 units)						
Capital value (at net asset value per unit at the beginning of the year)	88,901,094	-	88,901,094	212,816,628	-	212,816,628
Element of income	8,873,965	-	8,873,965	3,150,843	-	3,150,843
<b>Total proceeds on issue of units</b>	<b>97,775,059</b>	<b>-</b>	<b>97,775,059</b>	<b>215,967,471</b>	<b>-</b>	<b>215,967,471</b>
Redemption of 1,258,088,626 (2024: 1,884,934,866 units)						
Capital value (at net asset value per unit at the beginning of the year)	(128,396,751)	-	(128,396,751)	(190,131,872)	-	(190,131,872)
Income already paid on redemption of units	-	-	-	-	(2,892,819)	(2,892,819)
Element of loss	(14,560,598)	-	(14,560,598)	(365,180)	-	(365,180)
<b>Total payments on redemption of units</b>	<b>(142,957,349)</b>	<b>-</b>	<b>(142,957,349)</b>	<b>(190,497,052)</b>	<b>(2,892,819)</b>	<b>(193,389,872)</b>
Total comprehensive income for the year	-	7,207,962	7,207,962	-	7,963,724	7,963,724
Distribution during the year	-	(1,479,566)	(1,479,566)	-	(4,432,436)	(4,432,436)
Refund of capital	-	-	-	(2,833,989)	-	(2,833,989)
	-	5,728,396	5,728,395	(2,833,989)	3,531,288	697,299
<b>Net assets at end of the year</b>	<b>4,684,420</b>	<b>6,571,065</b>	<b>11,255,485</b>	<b>49,866,710</b>	<b>842,669</b>	<b>50,709,379</b>
<b>Undistributed income brought forward</b>						
Realised income		843,374			156,991	
Unrealised gain		(705)			47,209	
		842,669			204,200	
<b>Accounting income available for distribution</b>						
Relating to capital gains	51,567			19,378		
Excluding capital gains	871,409			5,051,527		
	922,976			5,070,905		
Distribution during the year		(1,479,566)			(4,432,436)	
<b>Undistributed income carried forward</b>		<b>286,079</b>			<b>842,669</b>	
<b>Undistributed income carried forward</b>						
Realised income		174,725			843,374	
Unrealised income / (loss)		111,354			(705)	
		286,079			842,669	
			Rupees			Rupees
Net assets value per unit at beginning of the year			102.0570			100.8692
Net assets value per unit at end of the year			102.4369			102.0570

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 Financial Sector 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 period	9,946,277	10,840	9,957,117	-	-	-
Issuance of 178,717,320 units (2024: 250,037,339 units)						
Capital value (at net asset value per unit at the beginning of the period)	17,871,732	-	17,871,732	25,003,734	-	25,003,734
Element of income	(1,122)	-	(1,122)	-	-	-
<b>Total proceeds on issue of units</b>	<b>17,870,610</b>	<b>-</b>	<b>17,870,610</b>	<b>25,003,734</b>	<b>-</b>	<b>25,003,734</b>
Redemption of 186,470,362 (2024: 150,574,569 units)						
Capital value (at net asset value per unit at the beginning of the period)	(18,647,036)	-	(18,647,036)	(15,057,457)	-	(15,057,457)
<b>Total payments on redemption of units</b>	<b>(18,647,036)</b>	<b>-</b>	<b>(18,647,036)</b>	<b>(15,057,457)</b>	<b>-</b>	<b>(15,057,457)</b>
Total comprehensive income for the period	-	690,406	690,406	-	624,639	624,639
Distribution during the period	-	(700,128)	(700,128)	-	(613,799)	(613,799)
	-	(9,722)	(9,722)	-	10,840	10,840
<b>Net assets at end of the period</b>	<b>9,169,851</b>	<b>1,118</b>	<b>9,170,968</b>	<b>9,946,277</b>	<b>10,840</b>	<b>9,957,117</b>
<b>Undistributed income brought forward</b>						
Realised income		10,840			-	
Unrealised gain / (loss)		-			-	
		10,840			-	
<b>Accounting income available for distribution</b>						
Relating to capital gains		-			-	
Excluding capital gains		690,406			624,639	
		690,406			624,639	
Distribution during the year		(700,128)			(613,799)	
<b>Undistributed income carried forward</b>		<b>1,118</b>			<b>10,840</b>	
Realised income		1,118			10,840	
Unrealised income		-			-	
		1,118			10,840	
<b>Net assets value per unit at beginning of the period</b>			<b>Rupees</b>			<b>Rupees</b>
<b>Net assets value per unit at end of the period</b>			<u>100.1090</u>			<u>-</u>
			<u>100.0000</u>			<u>100.1090</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 Financial Sector Income Fund

## Statement Of Cash Flows

For the year ended June 30, 2025

For the period from  
February 20, 2024 to  
June 30, 2024

Note	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- (Rupees in '000) -----					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Net income for the year before taxation	7,207,962	690,406	7,898,368	7,963,724	624,639	8,588,363
Adjustments for:						
Capital (gain) / loss on sale of investment - net	(291,355)	-	(291,355)	(31,138)	-	(31,138)
Income on Government securities	(1,890,850)	-	(1,890,850)	(1,384,569)	-	(1,384,569)
Income from corporate sukuk bonds	(220,226)	-	(220,226)	(340,369)	-	(340,369)
Income from money market transactions and placements	(2,266,356)	-	(2,266,356)	(1,125,262)	-	(1,125,262)
Mark-up from margin trading system	(289,156)	-	(289,156)	(499,207)	-	(499,207)
Profit on bank deposits	(2,966,574)	(721,185)	(3,687,759)	(5,180,299)	(647,429)	(5,827,728)
Dividend Income on Equity Securities	(60,178)	-	(60,178)	-	-	-
Unrealised diminution / (appreciation) on re-measurement of investments - as financial assets at 'fair value through profit or loss' - net	(111,354)	-	(111,354)	705	-	705
	(888,087)	(30,779)	(918,866)	(596,415)	(22,790)	(619,205)
<b>(Increase) in assets</b>						
Investments	9,737,269	-	9,737,269	(11,854,874)	-	(11,854,874)
Receivable against margin trading system	(916,821)	-	(916,821)	(2,247,791)	-	(2,247,791)
Advances, deposits and prepayments	148	-	148	(28,752)	-	(28,752)
	8,820,596	-	8,820,596	(14,131,417)	-	(14,131,417)
<b>Increase/ (decrease) in liabilities</b>						
Payable to the HBL Asset Management Company - Asset Management Company	(39,038)	(3,942)	(42,980)	59,148	4,686	63,834
Payable to the Central Depository Company - Trustee	(287)	(422)	(709)	1,738	689	2,427
Payable to Securities and Exchange Commission of Pakistan	(297)	(377)	(674)	(2,492)	608	(1,884)
Payable against purchase of investments	6,911	-	6,911	(895)	-	(895)
Payable against redemption of units	376,665	-	376,665	-	-	-
Payable against conversion of units (Convert-Out)	15,212,676	-	15,212,676	-	-	-
Accrued expenses and other liabilities	963,433	38,631	1,002,064	(18,016)	7,310	(10,706)
	16,520,063	33,890	16,553,953	39,483	13,293	52,776
Cash used in operations	24,452,572	3,111	24,455,683	(14,688,349)	(9,497)	(14,697,846)
Income received from Government securities	2,099,986	-	2,099,986	1,069,501	-	1,069,501
Income received from corporate sukuk bonds	224,826	-	224,826	346,187	-	346,187
Income received from money market transactions and placements	2,235,904	-	2,235,904	1,125,262	-	1,125,262
Income received from margin trading system	298,415	-	298,415	434,566	-	434,566
Profit received on bank deposits	3,358,901	840,856	4,199,757	5,000,278	478,175	5,478,453
	8,218,032	840,856	9,058,888	7,975,794	478,175	8,453,969
Net cashflows (used in) / generated from operating activities	32,670,604	843,967	33,514,571	(6,712,555)	468,678	(6,243,877)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Receipts from issue of units	97,775,059	17,870,610	115,645,669	215,967,471	25,003,734	240,971,205
Payments against redemption of units	(142,957,349)	(18,647,036)	(161,604,385)	(193,389,872)	(15,057,457)	(208,447,329)
Dividend paid	(1,479,566)	(700,128)	(2,179,694)	(7,266,425)	(613,799)	(7,880,224)
Net cashflows generated from / (used in) financing activities	(46,661,856)	(1,476,554)	(48,138,410)	15,311,174	9,332,478	24,643,653
Net increase / (decrease) in cash and cash equivalents during the year	(13,991,252)	(632,587)	(14,623,839)	8,598,620	9,801,156	18,399,776
Cash and cash equivalents at the beginning of the year	29,967,092	9,801,156	39,768,248	21,368,472	-	21,368,472
Cash and cash equivalents at the end of the year	15,975,840	9,168,568	25,144,408	29,967,092	9,801,156	39,768,248

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 Financial Sector Income Fund ("the Fund") was established under a Trust Deed, dated November 16, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan as a unit trust scheme on December 14, 2021. The plan I commenced operations from January 18, 2022 and plan II commenced operation during the period from February 20, 2024.
- 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. 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 Aga 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) 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.
- 1.5** The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.
- 1.6** The Fund has been categorised as a Compliant Income 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 (PSX). 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.
- 1.7** The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs / Sukuks, bank deposits and short-term money market instruments.
- 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.
- 1.9** VIS Credit Rating agency has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at 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 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
- 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, 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 and judgement are recognised in the year in which the estimates and judgement 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 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	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	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often	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 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 SECP.

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

##### **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 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:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	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.

#### **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 deposits, investment 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/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 / 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 year 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.

### 5 BALANCES WITH BANKS

	Note	2025		2024		Total	
		Plan I	Plan II	Plan I	Plan II		
----- Rupees in '000 -----							
In saving accounts	5.1 - 5.2	15,975,840	9,168,568	25,144,408	29,967,092	9,801,156	39,768,248
		15,975,840	9,168,568	25,144,408	29,967,092	9,801,156	39,768,248

5.1 These carry mark-up at rates ranging between 9.00% to 21.15% (2024: 18.2% to 22.95%) per annum and 10.65% to 19.50% (2024: 19.50% to 21.00%) per annum of HBL Financial Sector Income Fund Plan I and Plan II.

5.2 These include balances held by related parties (Habib Bank Limited and HBL Micro finance Bank Limited) amounting to Rs. 15,693 million (2024: Rs. 22,289.516 million) and Rs. 9.119 million (2024: 0.859 million) which carry markup at rates ranging between 9% to 19.5% (2024: 13.50% to 19.50%) and 11.25% to 20% (2024: 19.50% to 20.50%) per annum of HBL Financial Sector Income Fund Plan I and Plan II.

### 6 INVESTMENTS

	Note	2025		2024		Total	
		Plan I	Plan II	Plan I	Plan II		
----- Rupees in '000 -----							
Financial assets							
At fair value through profit or loss	6.1	6,584,828	-	6,584,828	10,624,103	-	10,624,103
At amortised cost		1,000,000	-	1,000,000	6,295,285	-	6,295,285
		7,584,828	-	7,584,828	16,919,388	-	16,919,388

## 6.1 Financial assets at fair value through profit or loss

Note	2025		Total	2024		Total	
	Plan I	Plan II		Plan I	Plan II		
----- Rupees in '000 -----							
Corporate Sukuk Bonds	6.1.1	236,504	-	236,504	259,030	-	259,030
Term Finance Certificates (TFCs)	6.1.2	1,035,785	-	1,035,785	1,031,283	-	1,031,283
Pakistan Investments Bonds (PIBs)	6.1.4	4,824,787	-	4,824,787	6,562,538	-	6,562,538
Market Treasury Bills	6.1.5	-	-	-	2,415,189	-	2,415,189
Investments in Mutual Fund (Plan I)	6.1.6	487,751	-	487,751	356,063	-	356,063
		<b>6,584,828</b>	<b>-</b>	<b>6,584,828</b>	<b>10,624,103</b>	<b>-</b>	<b>10,624,103</b>

### 6.1.1 Corporate sukuk bond-Listed (Plan I)

Name of the investee company	As at July 01, 2024	Purchases during the year	Sales 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	Market value as a percentage of	
								Total investments	Net assets
			(No. of units)				(Rupees in '000)	-----%	
<b>Corporate sukuk bond - listed</b>									
K-electric Limited	2,570	-	-	2,570	233,127	236,504	3,378	3.12%	2.10%
Total - as at June 30, 2025	2,570	-	-	2,570	233,127	236,504	3,378	3.12%	2.10%
Total - as at June 30, 2024	5,000	-	2,430	2,570	257,019	259,030	2,010	1.53%	0.51%

6.1.1.1 These carry profit ranging between 13.07% to 23.08% (June 30, 2024: 22.61% to 24.84%) per annum.

### 6.1.2 Term finance certificates (Plan I)

Name of the investee company	As at July 01, 2024	Purchases during the year	Sales 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)	Market value as a percentage of	
								Total investments	Net assets
			(No. of units)				(Rupees in '000)	-----%	
Askari Bank Limited	120	-	-	120	119,400	121,097	1,697	1.60%	1.08%
Bank Al-Habib Limited	100,000	-	-	100,000	515,498	515,088	(410)	6.79%	4.58%
Soneri Bank Limited	4,000	-	-	4,000	396,123	399,600	3,477	5.27%	3.55%
Total - as at June 30, 2025	104,120	-	-	104,120	1,031,021	1,035,785	4,764	13.66%	9.20%
Total - as at June 30, 2024	104,000	120	-	104,120	1,014,708	1,031,283	16,575	6.10%	2.03%

6.1.2.1 These carry profit ranging between 12.48% to 21.83% (June 30, 2024: 22.52% to 23.16%) per annum.

6.1.3 Significant terms and conditions of corporate sukuk bonds and term finance certificates as at June 30, 2025 is as follows:

	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
<b>Corporate sukuk bond - listed</b>					
K-Electric Limited	(Quarterly)	90,000	3M K + 1.7%	November 23, 2022	November 23, 2029
<b>TFCs - Commercial Banks - unlisted</b>					
Askari Bank Limited	(Quarterly)	1,000,000	3M K + 1.2%	March 17, 2020	March 17, 2030
Bank Al-Habib Limited	(Semi annually)	4,995	6M K + 1.35%	December 23, 2022	December 23, 2032
Soneri Bank Limited	(Semi annually)	99,900	6M K + 1.70%	December 26, 2022	December 26, 2032

### 6.1.4 Pakistan Investments Bonds (PIBs) (Plan I)

Particulars	Tenor	Issue date	Face value			Carrying value as at June 30, 2025	Market value as at June 30, 2025	Un-realised appreciation	Market value as a percentage of:		
			As at July 01, 2024	Purchases during the year	Sales during the year				As at June 30, 2025	Total investments	Net assets
----- (Rupees in '000) -----											
Pakistan Investment Bond	2Y	20-Sep-24	-	3,500,000	3,500,000	-	-	-	0.00%	0.00%	
Pakistan Investment Bond	2Y	16-Jan-25	-	750,000	500,000	250,000	209,892	213,858	3,965	2.82%	1.90%
Pakistan Investment Bond	3Y	19-Oct-23	850,000	-	-	850,000	840,281	846,685	6,404	11.16%	7.52%
Pakistan Investment Bond	3Y	15-Feb-24	2,450,000	-	2,450,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond	3Y	16-Jan-25	-	125,000	-	125,000	126,694	127,457	762	1.68%	1.13%
Pakistan Investment Bond	5Y	13-Oct-22	200,000	-	-	200,000	179,116	197,761	18,645	2.61%	1.76%
Pakistan Investment Bond	5Y	19-Oct-23	2,357,000	-	-	2,357,000	2,296,598	2,325,181	28,582	30.66%	20.66%
Pakistan Investment Bond	5Y	21-Sep-23	1,000,000	-	-	1,000,000	970,814	986,200	15,386	13.00%	8.76%
Pakistan Investment Bond	5Y	20-Sep-24	-	1,900,000	1,900,000	-	-	-	-	0.00%	0.00%
Pakistan Investment Bond	5Y	16-Jan-25	-	875,000	750,000	125,000	126,311	127,647	1,335	1.68%	1.13%
Total - as at June 30, 2025			6,857,000	7,150,000	9,100,000	4,907,000	4,749,707	4,824,787	75,080	63.61%	42.87%
Total - as at June 30, 2024			375,000	27,735,000	21,253,000	6,857,000	6,543,568	6,562,538	18,970	38.79%	12.94%

# HBL Financial Sector Income Fund

## Notes to the financial statements

For the year ended June 30, 2025

### 6.1.5 Market treasury bills (Plan I)

Particulars	Issue date	Face value			Balance as at June 30, 2025			Market value as a percentage of:	
		As at July 01, 2024	Purchased during the year	Sale / 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)	Total investments

(Rupees in '000)

(%)

#### Market Treasury Bills - 3 months

Market treasury bills	30-May-24	350,000	250,000	600,000	-	-	-	-	-	-
Market treasury bills	25-Jul-24	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	28-Nov-24	-	640,000	640,000	-	-	-	-	-	-
Market treasury bills	12-Dec-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	09-Jan-25	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	06-Feb-25	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	23-Jan-25	-	500,000	500,000	-	-	-	-	-	-
		350,000	2,640,000	2,990,000	-	-	-	-	-	-

#### Market Treasury Bills - 6 months

Market treasury bills	30-May-24	500,000	500,000	1,000,000	-	-	-	-	-	-
Market treasury bills	11-Jul-24	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	25-Jul-24	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	22-Aug-24	-	535,000	535,000	-	-	-	-	-	-
Market treasury bills	05-Sep-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	03-Oct-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	17-Oct-24	-	900,000	900,000	-	-	-	-	-	-
Market treasury bills	31-Oct-24	-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills	14-Nov-24	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	28-Nov-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	12-Dec-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	9-Jan-2025	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	23-Jan-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	20-Mar-25	-	500,000	500,000	-	-	-	-	-	-
		500,000	8,435,000	8,935,000	-	-	-	-	-	-

Particulars	Issue date	Face value			Balance as at June 30, 2025			Market value as a percentage of:	
		As at July 01, 2024	Purchased during the year	Sale / 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)	Total investments

(Rupees in '000)

(%)

#### Market Treasury Bills - 12 months

Market treasury bills	19-Oct-23	550,000	1,900,000	2,450,000	-	-	-	-	-	-
Market treasury bills	02-Nov-23	506,000	2,356,000	2,862,000	-	-	-	-	-	-
Market treasury bills	16-Nov-23	4,000	101,000	105,000	-	-	-	-	-	-
Market treasury bills	14-Dec-23	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	22-Feb-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	07-Mar-24	-	325,000	325,000	-	-	-	-	-	-
Market treasury bills	18-Apr-24	-	23,140,000	23,140,000	-	-	-	-	-	-
Market treasury bills	02-May-24	120,000	320,000	440,000	-	-	-	-	-	-
Market treasury bills	16-May-24	397,750	397,750	795,500	-	-	-	-	-	-
Market treasury bills	30-May-24	-	600,000	600,000	-	-	-	-	-	-
Market treasury bills	12-Jun-24	200,000	-	200,000	-	-	-	-	-	-
Market treasury bills	13-Jun-2024	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	11-Jul-24	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	25-Jul-24	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	22-Aug-24	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	05-Sep-24	-	16,200,000	16,200,000	-	-	-	-	-	-
Market treasury bills	03-Oct-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	17-Oct-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	31-Oct-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	14-Nov-24	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	28-Nov-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	12-Dec-24	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	26-Dec-24	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	09-Jan-25	-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills	23-Jan-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	06-Feb-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	29-May-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	12-Jun-25	-	500,000	500,000	-	-	-	-	-	-
		1,777,750	60,589,750	62,367,500	-	-	-	-	-	-

Total as at June 30, 2025

Total as at June 30, 2024

	2,627,750	71,664,750	74,292,500	-	-	-	-	0.00%	0.00%
	100,000	65,669,920	63,142,170	2,627,750	2,415,199	2,415,189	(10)	14.27%	4.76%

### 6.1.6 Investments in Mutual Fund (Plan I)

Sectors / Companies	As at July 01, 2024	Purchases during the year	Disposal 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)	Market value as a percentage of:		Paid up value of units held as a percentage of total invested units of the Investee Company
								Total investments	Net assets	

(Number of units)

(Rupees in '000)

(%)

#### Mutual Funds

HBL Total Treasury Exchange Traded Fund	3,494,250	1,885,300	985,400	4,394,150	459,619	487,751	28,132	6.43%	4.33%	0.10%
Total as at June 30, 2025	3,494,250	1,885,300	985,400	4,394,150	459,619	487,751	28,132	6.43%	4.33%	0.10%
Total as at June 30, 2024	39,249,000	24,078,750	59,833,500	3,494,250	394,314	356,063	(38,251)	2.10%	0.70%	0.09%

		June 30 2025	June 30 2024
6.2	Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	------(Rupees in '000)-----	
	Market value of investments	6,584,828	10,624,103
	Carrying value of investments	6,473,474	10,624,808
		111,354	(705)

6.3 Financial assets at amortised cost

Letter of placement (Short term)

Name of investee company	Issue date	As at July 01, 2024	Placement made during the year	Income accrued	Sales/maturedd uring the year	As at June 30, 2025	Percentage of total of investments	Percentage of net assets
Pakistan Mortgage Refinance Company	March 28, 2025	6,295,285	585,388,589	2,270,207	590,683,874	1,000,000	13.18%	8.88%
Total as at June 30, 2025		6,295,285	585,388,589	2,270,207	590,683,874	1,000,000	13.18%	8.88%
Total as at June 30, 2024		2,730,492	129,145,408	35,285	125,615,900	6,295,285	37.21%	12.41%

6.3.1 This letter of placment carry markup at the rate 11.70% per annum (June 30, 2024: 21.03%).

7 PROFIT / MARK-UP RECEIVABLE

Note	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
-----Rupees '000'-----						
Bank deposits	215,885	49,583	265,468	608,212	169,254	777,466
Margin trading system income	64,346	-	64,346	73,605	-	73,605
Corporate sukuk bonds	6,262	-	6,262	10,862	-	10,862
Pakistan Investment Bond	127,224	-	127,224	336,360	-	336,360
Letter of Placement	30,452	-	30,452	-	-	-
Dividend income on equity securities	60,178	-	60,178	-	-	-
	504,347	49,583	553,930	1,029,039	169,254	1,198,293

7.1 These include balances held with related parties Habib Bank Limited and HBL Micro Finance Bank Limited amounting to Rs. 467 million and 215.885 million (2024: Rs. 56.82 million and Rs. 450.27 million).

8 ADVANCES, DEPOSITS AND PREPAYMENTS

	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
Security deposits with:						
Central Depository Company of Pakistan Limited	100	-	100	100	-	100
National Clearing Company of Pakistan Limited	6,600	-	6,600	6,600	-	6,600
Margin trading system security deposit	250	-	250	250	-	250
	6,950	-	6,950	6,950	-	6,950
Karachi Stock Exchange (Guarantee) Ltd.	12	-	12	-	-	-
Preliminary cost	241	-	241	401	-	401
Advance tax	26,421	-	26,421	26,421	-	26,421
	33,624	-	33,624	33,772	-	33,772

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.

**9 PAYABLE TO THE HBL ASSET MANAGEMENT COMPANY - MANAGEMENT COMPANY**

	Note	2025			2024		
		----- Rupees in '000 -----					
		Plan I	Plan II	Total	Plan I	Plan II	Total
Remuneration payable	9.1	47,213	647	47,860	62,637	4,147	66,784
Sindh Sales Tax payable	9.2	7,082	97	7,179	8,143	539	8,682
Sales load payable		2,432	-	2,432	4,614	-	4,614
Selling and marketing expense payable		-	-	-	20,371	-	20,371
		<u>56,727</u>	<u>744</u>	<u>57,471</u>	<u>95,765</u>	<u>4,686</u>	<u>100,451</u>

**9.1** As per the Regulation 61 of the amended NBFC Regulations, 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 is 1.5% per annum of average annual net assets. During the year, the fee has been charged at the rate ranging between of 1.25% to 1.5% and 0.210% to 0.65% of the average annual net assets of HBL Financial Sector Income Fund Plan I and Plan II respectively. The fee is payable monthly in arrears.

**9.2** The Sindh Sales Tax charged at the rate of 15% (2024: 13%) as per the Sindh Sales Tax on Services Act, 2011.

**10 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY - TRUSTEE**

		Plan I	Plan II	Total	Plan I	Plan II	Total
Trustee fee payable	10.1	2,851	232	3,083	3,156	610	3,766
Sindh Sales Tax payable	10.2	428	35	463	410	79	489
		<u>3,279</u>	<u>267</u>	<u>3,546</u>	<u>3,566</u>	<u>689</u>	<u>4,255</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 of 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% (2024: 13%) as per Sindh Sales Tax on Services Act, 2011.

**11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

	Note	2025			2024		
		----- Rupees in '000 -----					
		Plan I	Plan II	Total	Plan I	Plan II	Total
Annual fee payable to SECP	11.1	2,850	231	3,081	3,147	608	3,755

**11.1** 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.

Effective as of July 1, 2023, the SECP, through SRO 592 dated May 17, 2023, has revised the annual fee rate from 0.02% to 0.075% and introduced a shift in payment frequency, from annual to monthly basis.

**12 ACCRUED EXPENSES AND OTHER LIABILITIES**

	2025			2024		
	----- Rupees in '000 -----					
	Plan I	Plan II	Total	Plan I	Plan II	Total
Withholding tax payable	152,403	36,994	189,397	19,514	7,030	26,544
Auditor's remuneration	454	827	1,281	429	250	679
Brokerage payable	319	-	319	311	-	311
Margin trading system charges payable	-	-	-	1,115	-	1,115
Capital gain tax payable	802,615	-	802,615	62,075	-	62,075
Legal fee	893	-	893	861	-	861
Listing fee payable	15	-	15	130	-	130
Others	96,964	8,120	105,084	5,795	30	5,825
	<u>1,053,663</u>	<u>45,941</u>	<u>1,099,604</u>	<u>90,230</u>	<u>7,310</u>	<u>97,540</u>

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at June 30, 2025 (2024: Nil).

**14 NUMBER OF UNITS IN ISSUE**

	2025			2024		
	----- Rupees in '000 -----					
	Plan I	Plan II	Total	Plan I	Plan II	Total
Total units in issue at the beginning of the year	496,873,293	99,462,770	596,336,063	271,980,769	-	271,980,769
Add: Units issued during the year	871,092,564	178,717,320	1,049,809,884	2,109,827,650	250,037,339	2,359,864,989
Less: Units redeemed during the year	(1,258,088,626)	(186,470,362)	(1,444,558,988)	(1,884,935,126)	(150,574,569)	(2,035,509,694)
Total units in issue at the end of the year	<u>109,877,231</u>	<u>91,709,728</u>	<u>201,586,959</u>	<u>496,873,293</u>	<u>99,462,770</u>	<u>596,336,063</u>

**15 AUDITORS' REMUNERATION**

	2025			2024		
	----- Rupees in '000 -----					
	Plan I	Plan II	Total	Plan I	Plan II	Total
Annual audit fee	322	511	832	340	221	562
Fee for half yearly review	180	-	180	191	-	191
Sales Tax	65	67	132	69	29	98
Other certifications and out of pocket expenses	52	-	52	55	-	55
	<u>619</u>	<u>577</u>	<u>1,196</u>	<u>655</u>	<u>250</u>	<u>905</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.

**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 -----					
	Plan I			Plan II		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----					
<b>Financial assets</b>						
Bank balances	-	15,975,840	15,975,840	-	9,168,568	9,168,568
Investments						
Corporate Sukuk Bonds	236,504	-	236,504	-	-	-
Term Finance Certificates (TFCs)	1,035,785	-	1,035,785	-	-	-
Pakistan Investments Bonds (PIBs)	4,824,787	-	4,824,787	-	-	-
Market Treasury Bills	-	-	-	-	-	-
Investments in Listed Equity Securities	487,751	-	487,751	-	-	-
Letter of placement	-	1,000,000	1,000,000	-	-	-
Receivable against margin trading system	-	3,869,617	3,869,617	-	-	-
Profit / mark-up receivable	-	504,347	504,347	-	49,583	49,583
Advances, deposits and prepayments	-	33,624	33,624	-	-	-
	6,584,828	21,383,428	27,968,255	-	9,218,151	9,218,151
<b>Financial liabilities</b>						
Payable to the HBL Asset Management Company - Asset Management Company	-	49,645	49,645	-	-	-
Payable to the Central Depository Company - Trustee	-	2,851	2,851	-	610	610
Payable against purchase of investments	-	6,911	6,911	-	-	-
Payable against redemption of units	-	376,665	376,665	-	-	-
Accrued expenses and other liabilities	-	98,645	98,645	-	-	-
	-	534,717	534,717	-	610	610

Particulars	----- As at June 30, 2024 -----					
	Plan I			Plan II		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
	----- Rupees in '000 -----					
<b>Financial assets</b>						
Bank balances	-	29,967,092	29,967,092	-	9,801,156	9,801,156
Investments						
Corporate Sukuk Bonds	259,030	-	259,030	-	-	-
Term Finance Certificates (TFCs)	1,031,283	-	1,031,283	-	-	-
Pakistan Investments Bonds (PIBs)	6,562,538	-	6,562,538	-	-	-
Market Treasury Bills	2,415,189	-	2,415,189	-	-	-
Investments in Listed Equity Securities	356,063	-	356,063	-	-	-
Letter of placement	-	6,295,285	6,295,285	-	-	-
Receivable against margin trading system	-	2,952,796	2,952,796	-	-	-
Profit / mark-up receivable	-	1,029,039	1,029,039	-	169,254	169,254
Advances, deposits and prepayments	-	7,351	7,351	-	-	-
	10,624,102	40,251,563	50,875,665	-	9,970,410	9,970,410
<b>Financial liabilities</b>						
Payable to the HBL Asset Management Company - Asset Management Company	-	87,622	87,622	-	647	647
Payable to the Central Depository Company - Trustee	-	3,156	3,156	-	232	232
Accrued expenses and other liabilities	-	8,641	8,641	-	8,947	8,947
	-	99,419	99,419	-	9,826	9,826

**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, 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.



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:

**19.1 Transactions during the year**

	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>HBL Asset Management Limited - Management Company</b>						
Remuneration of the Management Company	681,299	20,350	701,649	417,504	15,649	433,153
Sindh Sales Tax on remuneration of the Management Company	102,195	3,052	105,247	54,276	2,034	56,310
Sales load						
Allocation of expenses related to registrar services, accounting, operation and valuation services	315	-	315	84,104	-	84,104
Selling and marketing expense						
<b>HBL Asset Management Limited - Management Company</b>						
Issue of 1,908,655 units (2024: 5,039,251 units)	200,027	-	200,027	515,000	-	515,000
Redemption of 7,089,576 units (2024: 886,965 units)	1	-	1	90,000	-	90,000
Dividend paid 11 units (2024: 456,743 units)	763,328	-	763,328	46,071	-	46,071
Refund of capital 21 units (2024: 66,370 units)	2	-	2	6,695	-	6,695
<b>Habib Bank Limited - Sponsors</b>						
Bank Charges	401	-	401	768	-	768
Profit on bank deposit earned	132,929	293,092	426,020	179,284	848	180,132
<b>HBL Micro Finance Bank</b>						
Profit on bank deposit earned	2,261,483	-	2,261,483	4,219,810	-	4,219,810
Sale of market treasury bills 3 months	99,468	-	99,468			
<b>Directors and Executives of the Management Company</b>						
Issue of 3,934,162 units (2024: 4,322,619 units)	440,470	-	440,470	442,872	-	442,872
Redemption of 4,378,529 units (2024: 4,186,052 units)	490,722	-	490,722	429,322	-	429,322
Dividend paid 134 units (2024: 90,887 units)	18	-	18	9,168	-	9,168
Refund of capital 845 units (2024: 60,387 units)	86	-	86	6,091	-	6,091
	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>HBL Asset Management Limited - Employees Gratuity Fund</b>						
Issue of 19 units (2024: nil units)	2	-	2	-	-	-
Redemption of nil units (2024: nil units units)	-	-	-	-	-	-
Dividend paid 10,175 units (2024: 12,155 units)	1,039	-	1,039	1,226	-	1,226
Refund of capital 1 units (2024: nil units)	-	-	-	-	-	-
<b>HBL Asset Management Limited - Employees Provident Fund</b>						
Issue of 60 units (2024: nil units)	7	-	7	-	-	-
Dividend paid 32,911 units (2024: 39,317 units)	3,360	-	3,360	3,966	-	3,966
Redemption of nil units (2024: nil units)	-	-	-	-	-	-
Refund of capital 6 units (2024: nil units)	1	-	1	-	-	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee remuneration	39,576	3,163	42,739	29,174	2,283	31,457
Sindh Sales Tax payable on the Trustee fee	5,936	474	6,410	3,793	297	4,089
Central Depository Service charges	516	-	516	2,753	-	2,753
<b>Ibrahim Holdings (Private) Limited</b>						
<b>Connected person due to holding more than 10%</b>						
Issue of nil units (2024: 7,301,251 units)	-	-	-	746,012	-	746,012
Redemption of nil units (2024: 19,792,299 units)	-	-	-	2,000,000	-	2,000,000
Dividend paid nil units (2024: 16,146,210 units)	-	-	-	1,628,655	-	1,628,655
Refund of capital nil units (2024: 94,582 units)	-	-	-	9,540	-	9,540
<b>Habib Bank Limited - Sponsors</b>						
Sale of Pakistan Investment bond 3 Years	-	-	-	498,226	-	498,226
Purchase of Pakistan Investment bond 3 Years	-	-	-	498,521	-	498,521
Sale of Pakistan Investment bond 5 Years	2,064,227	-	2,064,227	664,662	-	664,662
Sale of Market Treasury bills 3 Months	1,549,401	-	1,549,401	1,097,507	-	1,097,507
Sale of Market Treasury bills 12 Months	1,614,502	-	1,614,502	1,340,625	-	1,340,625
Sale of Market Treasury bills 6 Months	437,152	-	437,152	454,848	-	454,848
Purchase of Market Treasury bills 3 Months	-	-	-	1,597,130	-	1,597,130
Purchase of Market Treasury bills 12 Months	2,431,568	-	2,431,568	170,489	-	170,489
Purchase of Pakistan Investment bond 2 Years	802,383	-	802,383	-	-	-
Sale of Pakistan Investment bond 2 Years	399,390	-	399,390	-	-	-

# HBL Financial Sector Income Fund

## Notes to the financial statements

For the year ended June 30, 2025

	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>HBL Micro Finance Bank</b>						
Sale of market treasury bill 3 months	-	-	-	514,829	-	514,829
<b>HBL IPF Debt sub Fund</b>						
Purchase of GOP Ijara bond	-	-	-	106,995	-	106,995
<b>HBL Government Securities Fund</b>						
Purchase of GOP investment bond	-	-	-	129,173	-	129,173
Purchase of Market Treasury bills 12 Months	772,428	-	772,428	-	-	-
<b>HBL Cash Fund</b>						
Sale of market treasury bill 12 months	723,554	-	723,554	-	-	-
Sale of market treasury bill 6 months	939,141	-	939,141	-	-	-
Purchase of market treasury bill 3 months	249,731	-	249,731	-	-	-
<b>HBL Income Fund</b>						
Purchase of GOP investment bond	-	-	-	232,136	-	232,136
<b>HBL IPF Money market sub Fund</b>						
Purchase of GOP Ijara bond	-	-	-	216,555	-	216,555
Sale of market treasury bill 12 months	8,765	-	8,765	-	-	-
<b>HBL Islamic Asset Allocation Fund</b>						
Sale of GOP Ijara bond	-	-	-	5,467	-	5,467
<b>HBL Islamic Income Fund</b>						
Purchase of GOP Ijara bond	-	-	-	492,737	-	492,737
<b>HBL Multi Asset Fund</b>						
Purchase of market treasury bill	-	-	-	8,585	-	8,585
<b>HBL PF Debt sub Fund</b>						
Purchase of market treasury bill 12 months	-	-	-	42,001	-	42,001
Purchase of GOP investment bond	-	-	-	67,887	-	67,887
<b>HBL Money Market Fund</b>						
Sell of market treasury bill 3 months	-	-	-	349,374	-	349,374
Sale of market treasury bill 12 months	292,175	-	292,175	-	-	-
	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>HBL Total Treasury - Exchange Traded Fund (CIS managed by management company)</b>						
Purchase of market treasury bill 12 months	95,139	-	95,139	-	-	-
<b>Rafiuddin Zakir</b>						
<b>Connected person due to holding more than 10%</b>						
Issue of nil units	-	-	-	-	-	-
Redemption of nil units (2024: 472,407 units)	-	-	-	48,389	-	48,389
Dividend paid nil units (2024 8,199 units)	-	-	-	827	-	827
Refund of capital nil units (2024: nil units)	-	-	-	-	-	-
<b>Karachi Shipyard &amp; Engineering Works Ltd</b>						
<b>Connected person due to holding more than 10%</b>						
Issue of 15,067,616 units (2024: nil units)	1,616,779	-	1,616,779	-	-	-
Redemption of 1,883,960 units (2024: nil units)	215,000	-	215,000	-	-	-
Dividend paid 944,822 units (2024: nil units)	1,262,000	-	1,262,000	-	-	-
Refund of capital 703,192 units (2024: nil units)	71,787	-	71,787	-	-	-
<b>MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan</b>						
Issue of 202,867 units (2024: 202,867 units)	-	-	-	20,780	-	20,780
Redemption of 202,867 units (2024: 202,867 units)	-	-	-	20,836	-	20,836
<b>MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan</b>						
Issue of 11,259 units (2024: 11,259 units)	-	-	-	1,150	-	1,150
Redemption of 11,259 units (2024: 11,259 units)	-	-	-	1,156	-	1,156
<b>Pakistan Oilfields Limited</b>						
<b>Connected person due to holding more than 10%</b>						
Issue of 257,952,827 units (2024: 238,682,070 units)	-	25,900,847	25,900,847	-	23,868,207	23,868,207
Redemption of 187,460,363 units (2024: 144,436,585 units)	-	18,461,759	18,461,759	-	14,443,659	14,443,659
Dividend paid of nil units (2024: 6,137,983 units)	-	-	-	-	613,798	613,798
Refund of capital of nil units	-	-	-	-	-	-
<b>Master Changan Motors Limited</b>						
<b>Connected person due to holding more than 10%</b>						
Issue of 20,227,264 units (2024: nil units)	-	2,028,371	2,028,371	-	-	-

	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>19.2 Balances outstanding as at the year end</b>						
<b>HBL Asset Management Limited</b>						
Remuneration Payable to the HBL Asset Management Company	47,213	647	47,860	62,637	4,147	66,784
Sindh Sales Tax payable on remuneration of the Management Company	7,082	97	7,179	8,143	539	8,682
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-
Sales load payable	2,432	-	2,432	4,614	-	4,614
Selling and marketing expense payable	-	-	-	20,371	-	20,371
<b>Central Depository Company of Pakistan Limited - Trustee</b>						
Trustee fee payable	2,851	232	3,083	3,156	610	3,766
Sindh Sales Tax payable on remuneration of the trustee	428	35	463	410	79	489
Security deposit	100	-	100	100	-	100
<b>Habib Bank Limited - Sponsor</b>						
Bank balances	4,265,563	9,023,208	13,288,771	4,390,872	859	4,391,731
Profit Receivable	467	32	500	56,819	-	56,819
<b>HBL Micro Finance Bank</b>						
Bank Balances	11,427,111	-	11,522,465	17,898,644	-	17,898,644
Profit Receivable	215,885	-	215,885	450,273	-	450,273
<b>HBL Asset Management Limited</b>						
Units held: 272 (June 30, 2024: 5,181,161) units	28	-	28	528,774	-	528,774
<b>HBL Asset Management Limited Employees Provident Fund Associate</b>						
Units held: 253,994 (June 30, 2024: 221,017) units	26,018	-	26,018	22,556	-	22,556
<b>HBL Asset Management Limited Employees Gratuity Fund Associate</b>						
Units held: 78,524 (June 30, 2024: 68,329) units	8,044	-	8,044	6,973	-	6,973
<b>Ibrahim Fibres Limited</b>						
<b>Connected person due to holding more than 10%</b>						
Units held: nil (June 30, 2024: 104,591,122)	-	-	-	10,674,256	-	10,674,256
	2025			2024		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
<b>Directors and executives of the Management Company</b>						
<b>Connected person due to holding more than 10%</b>						
Units held: 7,918 (June 30, 2024: 451,306) units	811	-	811	39,330	-	39,330
<b>Karachi Shipyard &amp; Engineering Works Ltd</b>						
<b>Connected person due to holding more than 10%</b>						
Units held: 1,483,1671 (June 30, 2024: nil) units	1,519,310	-	1,519,310	-	-	-
<b>Pakistan Oilfields Limited</b>						
<b>Connected person due to holding more than 10%</b>						
Units Held 71,482,464 units (June 2024: 99,462,770 units)	-	7,148,246	7,148,246	-	9,946,277	9,946,277
<b>Master Changan Motors Limited</b>						
<b>Connected person due to holding more than 10%</b>						
Units held: 20,227,264 (June 30, 2024: Nil units)	-	2,022,726	2,022,726	-	-	-

**19.3 Nature of relationship with related parties/ connected persons**

Name of related party	Nature of relationship	Basis of Association
HBL Asset Management Limited	Related party	Management Company
Habib Bank Limited	Related party	Sponsors
HBL Micro Finance Bank	Related party	Subsidiary of Sponsors
HBL Asset Management Limited - Employees Gratuity Fund	Related party	Fund under common Management
HBL Asset Management Limited - Employees Provident Fund	Related party	Fund under common Management
Central Depository Company of Pakistan Limited	Related party	Trustee
Ibrahim Holdings (Private) Limited	Related party	10% or more beneficial ownership of the units
HBL IPF Debt sub Fund	Related party	Fund under common Management
HBL Government Securities Fund	Related party	Fund under common Management
HBL Cash Fund	Related party	Fund under common Management
HBL Income Fund	Related party	Fund under common Management
HBL IPF Money market sub Fund	Related party	Fund under common Management
HBL Islamic Asset Allocation Fund	Related party	Fund under common Management
HBL Islamic Income Fund	Related party	Fund under common Management
HBL Multi Asset Fund	Related party	Fund under common Management
HBL PF Debt sub Fund	Related party	Fund under common Management
HBL Money Market Fund	Related party	Fund under common Management
HBL Total Treasury - Exchange Traded Fund	Related party	Fund under common Management
Rafiuddin Zakir	Related party	10% or more beneficial ownership of the units
Karachi Shipyard & Engineering Works Ltd	Related party	10% or more beneficial ownership of the units
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan	Related party	Fund under common Management
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan	Related party	Fund under common Management
Pakistan Oilfields Limited	Related party	10% or more beneficial ownership of the units
Master Changan Motors Limited	Related party	10% or more beneficial ownership of the units

**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 primarily invests in prime quality Financial Sector Sukuks, Bank deposits, Listed equity securities, Market Treasury Bills, Letter of Placements and in other money market instruments. These activities are exposed to a variety of financial risks; namely, market risks, credit risks and liquidity risks.

**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 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.

### **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 its full 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 because 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 9.00% to 21.15% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2024, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 159,758 million (2024: Rs. 299.671 million) for Plan I and 91.685 million (2024 : 98.011) for Plan II.

#### **b) Fair value interest rate risks**

The Fund's investment in Pakistan Investment Bond, Market Treasury Bills and Corporate Sukuk, and Listed Equity Securities exposes it to fair value interest rate risk.

In case of 100 basis points increase/decrease 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/higher by Rs. 65.85 million (2024: 106.241 million) for Plan I.

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.

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.

# HBL Financial Sector Income Fund

## Notes to the financial statements

For the year ended June 30, 2025

Particulars	Plan I											
	As at June 30, 2025					As at June 30, 2024						
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	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	Upto three months				More than three months and upto one year	More than one year			
	%	Rupees in '000				%	Rupees in '000					
<b>On-balance sheet financial instruments</b>												
<b>Financial assets</b>												
Bank balances	9.00%-21.15%	15,975,840	-	-	-	15,975,840	18.2%-22.95%	29,967,092	-	-	-	29,967,092
Investments						-						-
Corporate Sukuk Bonds	13.07%-23.08%	236,504	-	-	-	236,504	22.61%-24.84%	259,030	-	-	-	259,030
Term Finance Certificates (TFCs)	12.48%-21.83%	1,035,785	-	-	-	1,035,785	22.52%-23.16%	1,031,283	-	-	-	1,031,283
Pakistan Investments Bonds (PIBs)		-	-	-	4,824,787	4,824,787		-	-	-	6,562,538	6,562,538
Market Treasury Bills		-	-	-	2,415,189	2,415,189		-	-	-	2,415,189	2,415,189
Investments in Listed Equity Securities		-	-	-	487,751	487,751		-	-	-	356,063	356,063
Letter Of Placement	11.70%	-	-	-	1,000,000	1,000,000	21.03%	-	-	-	6,295,285	6,295,285
Receivable against margin trading system		-	-	-	3,869,617	3,869,617		-	-	-	2,952,796	2,952,796
Profit / mark-up receivable		-	-	-	504,347	504,347		-	-	-	1,029,039	1,029,039
Advances, deposits and prepayments		-	-	-	33,624	33,624		-	-	-	7,351	7,351
<b>Sub total</b>		<b>17,248,129</b>	<b>-</b>	<b>-</b>	<b>13,135,315</b>	<b>30,383,445</b>		<b>31,257,405</b>	<b>-</b>	<b>-</b>	<b>19,618,260</b>	<b>50,875,665</b>
<b>Financial liabilities</b>												
Payable to the HBL Asset Management Company - Asset Management Company		-	-	-	49,645	-		-	-	-	87,622	87,622
Payable to the Central Depository Company - Trustee		-	-	-	2,851	-		-	-	-	3,156	3,156
Payable against redemption of units		-	-	-	6,911	6,911		-	-	-	-	-
Payable against redemption of units		-	-	-	376,665	376,665		-	-	-	8,641	8,641
Accrued expenses and other liabilities		-	-	-	98,645	98,645		-	-	-	99,419	99,420
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>534,717</b>	<b>482,221</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>19,518,841</b>	<b>50,776,245</b>
<b>On-balance sheet gap (a)</b>		<b>17,248,129</b>	<b>-</b>	<b>-</b>	<b>12,600,598</b>	<b>29,901,224</b>		<b>31,257,405</b>	<b>-</b>	<b>-</b>	<b>19,518,841</b>	<b>50,776,245</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a) + (b)</b>		<b>17,248,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>31,257,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>17,248,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>31,257,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Plan II											
	As at June 30, 2025					As at June 30, 2024						
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	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	Upto three months				More than three months and upto one year	More than one year			
	%	Rupees in '000				%	Rupees in '000					
<b>On-balance sheet financial instruments</b>												
<b>Financial assets</b>												
Bank balances	10.65%-19.50%	-	-	-	9,168,568	9,168,568	18.2%-22.95%	-	-	-	9,801,156	9,801,156
Profit / mark-up receivable		-	-	-	49,583	49,583		-	-	-	169,254	169,254
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9,218,151</b>	<b>9,218,151</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9,970,410</b>	<b>9,970,410</b>
<b>Financial liabilities</b>												
Payable to the HBL Asset Management Company - Asset Management Company		-	-	-	647	647		-	-	-	4,147	4,147
Payable to the Central Depository Company - Trustee		-	-	-	3,156	3,156		-	-	-	610	610
Accrued expenses and other liabilities		-	-	-	8,641	8,641		-	-	-	280	280
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>12,444</b>	<b>12,444</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>5,037</b>	<b>5,037</b>
<b>On-balance sheet gap (a)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9,205,707</b>	<b>9,205,707</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9,965,373</b>	<b>9,965,373</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a) + (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 20.1.3 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. The Fund's overall exposure to price risk is limited to investment in listed equities.

The net assets of the Fund will increase / decrease by approximately Rs 4.87 million (2024: Rs. 3.56 million) for Plan I if the prices of equity vary due to increase / decrease in the PSX 100 index. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the PSX 100 index and that the PSX 100 index increases / decreases by 1% on PSX 100 index with all other factors held constant.

## 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 corporate sukuk bonds, letter of placement and bank deposit. Risks attributable to investments in Market Treasury Bills and Pakistan Investment Bonds are limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating. 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	Pan I	Pan II	Latest available published rating as at June 30, 2025	Rating agency
---(Rupees in '000')---				
<b>Balances with banks by rating category</b>				
HBL Micro Finance Bank Limited	11,427,111	-	A+	PACRA
Soneri Bank Limited	63,882	-	A1+	PACRA
Habib Bank Limited	4,265,563	-	A1+	VIS
U Micro Bank Ltd	6	-	A+	PACRA
Mobilink Micro Bank Ltd	14	-	A-1	PACRA
Bank Alfalah Limited	420	-	A-1+	PACRA
Khushhali Micro Finance Bank Limited	16	-	A-2	VIS
Finca Micro Finance Bank	-	-	A-2	VIS
Allied Bank Limited	21	-	A-1+	PACRA
Meezan Bank Limited	10	-	A-1+	VIS
National Bank of Pakitsan	13	-	A-1+	PACRA
Dubai Islamic Bank	10	-	A-1+	VIS
Habib Bank Limited	-	9,023,208	A-1+	VIS
Habib Metropolitan Bank Limited	-	95,355	A-1+	PACRA
Faysal Bank Limited	-	6	A-1+	PACRA
United Bank Limited	218,775	50,000	A-1+	VIS
	<u>15,975,840</u>	<u>9,118,569</u>		

#### Investments by rating category

Name of investee company	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
(Rupees in '000')			

#### Corporate sukuk / TFC bonds - Unlisted

K-Electric Limited	236,504	AA	PACRA
Askari Bank Limited	121,097	AA-	PACRA
Bank Al-Habib Limited	515,088	AAA	PACRA
Soneri Bank Limited	399,600	A+	PACRA
<b>Total Investments</b>	<u><b>1,272,289</b></u>		

#### Balances with banks by rating category

Name of bank / institutions	Pan I	Pan II	Latest available published rating as at June 30, 2024	Rating agency
---(Rupees in '000')---				
HBL Micro Finance Bank Limited	17,898,644	-	A+	PACRA
Soneri Bank Limited	7,534,373	-	AA-	PACRA
Habib Bank Limited	4,390,872	-	A-1+	VIS
U Micro Bank Ltd	1,216	-	A+	PACRA
Mobilink Micro Bank Ltd	5	-	A-1+	PACRA
Bank Alfalah Limited	141,896	-	A-1+	PACRA
Khushhali Micro Finance Bank Limited	36	-	A-2	VIS
Finca Micro Finance Bank	1	-	A-2	VIS
Allied Bank Limited	21	-	A-1+	PACRA
Meezan Bank Limited	10	-	A-1+	VIS
National Bank of Pakitsan	10	-	A-1+	PACRA
Dubai Islamic Bank	10	-	A-1+	VIS
Habib Bank Limited	-	859	A-1+	VIS
Habib Metropolitan Bank Limited	-	9,777,342	A-1+	PACRA
Faysal Bank Limited	-	22,955	A-1+	PACRA
	<u>29,967,094</u>			

#### Investments by rating category

Name of investee company	Balances held by the Fund as at June 30, 2024	Latest available published rating as at June 30, 2024	Rating agency
(Rupees in '000')			
<b>Corporate sukuk / TFC bonds - Unlisted</b>			
K-Electric Limited	259,030	AA	PACRA
Askari Bank Limited	119,400	AA	PACRA
Bank Al-Habib Limited	515,601	AAA	PACRA
Soneri Bank Limited	396,282	A+	PACRA
<b>Total Investments</b>	<b>1,290,313</b>		

**20.2.2** The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2025	2024
	----- (Percentage) -----	
A-1+	17.63%	36.04%
A-1	0.00%	
A+	45.54%	45%
AA-	0.00%	19%
A-2	0.00%	
	63%	100%

#### 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 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. There is no concentration of credit risk at reporting date.

#### 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 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.

The Fund 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 borrowing 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 (2024: None).

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 -----							
	Plan I				Plan II			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----								
<b>Financial liabilities</b>								
Payable to the HBL Asset Management Company - Asset Management Company	49,645	-	-	49,645	647	-	-	647
Payable to the Central Depository Company - Trustee	2,851	-	-	2,851	232	-	-	232
Payable against purchase of investments	6,911	-	-	6,911	-	-	-	-
Payable against redemption of units	376,665	-	-	376,665	-	-	-	-
Accrued expenses and other liabilities	98,645	-	-	98,645	8,947	-	-	8,947
	<u>534,717</u>	<u>-</u>	<u>-</u>	<u>534,717</u>	<u>9,826</u>	<u>-</u>	<u>-</u>	<u>9,826</u>
----- As at June 30, 2024 -----								
Particulars	Plan I				Plan II			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
----- Rupees in '000 -----								
<b>Financial liabilities</b>								
Payable to the HBL Asset Management Company - Asset Management Company	87,622	-	-	87,622	4,147	-	-	4,147
Payable to the Central Depository Company - Trustee	3,156	-	-	3,156	610	-	-	610
Accrued expenses and other liabilities	8,641	-	-	8,641	280	-	-	280
	<u>99,419</u>	<u>-</u>	<u>-</u>	<u>99,419</u>	<u>5,037</u>	<u>-</u>	<u>-</u>	<u>5,037</u>

## 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 and 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						
	Plan I						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
			Note ----- (Rupees in '000) -----				
<b>Financial assets measured at fair value</b>							
Corporate Sukuk Bonds	236,504	-	236,504	-	236,504	-	236,504
Term Finance Certificates (TFCs)	1,035,785	-	1,035,785	-	1,035,785	-	1,035,785
Pakistan Investments Bonds (PIBs)	4,824,787	-	4,824,787	-	4,824,787	-	4,824,787
Investments in Listed Equity Securities	487,751	-	487,751	487,751	-	-	487,751
	<u>6,584,829</u>	<u>-</u>	<u>6,584,829</u>	<u>487,751</u>	<u>6,097,077</u>	<u>-</u>	<u>6,584,829</u>
<b>Financial assets not measured at fair value</b>							
	22.1						
Letter of placements	-	1,000,000	1,000,000				
Bank balances	-	15,975,840	15,975,840				
Receivable against margin trading system	-	3,869,617	3,869,617				
Profit / mark-up receivable	-	504,347	504,347				
Advances, deposits and prepayments	-	33,624	33,624				
		<u>21,383,428</u>	<u>21,383,428</u>				
<b>Financial liabilities not measured at fair value</b>							
	22.1						
Payable to the HBL Asset Management Company - Asset Management Company	-	49,645	49,645				
Payable to the Central Depository Company - Trustee	-	2,851	2,851				
Payable against purchase of investments	-	6,911	6,911				
Payable against redemption of units	-	376,665	376,665				
Accrued expenses and other liabilities	-	98,645	98,645				
		<u>534,717</u>	<u>534,717</u>				

Particulars	June 30, 2025						
	Plan II						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note ----- (Rupees in '000) -----						
<b>Financial assets not measured at fair value</b>	22.1						
Bank balances		-	9,168,568	9,168,568			
Profit / mark-up receivable		-	49,583	49,583			
		-	9,218,151	9,218,151			
<b>Financial liabilities not measured at fair value</b>	22.1						
Payable to the HBL Asset Management Company - Asset Management Company		-	610	610			
Payable to the Central Depository Company - Trustee		-	-	-			
Accrued expenses and other liabilities		-	-	-			
		-	610	610			

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, 2024							
	Plan I							
	Carrying amount			Fair value				
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
	Note ----- (Rupees in '000) -----							
<b>Financial assets measured at fair value</b>								
Corporate Sukuk Bonds		259,030	-	259,030	-	259,030	-	259,030
Term Finance Certificates (TFCs)		1,031,283	-	1,031,283	-	1,031,283	-	1,031,283
Pakistan Investments Bonds (PIBs)		6,562,538	-	6,562,538	-	6,562,538	-	6,562,538
Market Treasury Bills		2,415,189	-	2,415,189	-	2,415,189	-	2,415,189
Investments in Listed Equity Securities		356,063	-	356,063	356,063	-	-	356,063
		10,624,104	-	10,624,104	356,063	10,268,040	-	10,624,104
<b>Financial assets not measured at fair value</b>	22.1							
Letter of placements		-	6,295,285	6,295,285				
Bank balances		-	29,967,092	29,967,092				
Receivable against margin trading system		-	2,952,796	2,952,796				
Profit / mark-up receivable		-	1,029,039	1,029,039				
Advances, deposits and prepayments		-	7,351	7,351				
		-	40,251,563	40,251,563				
<b>Financial liabilities not measured at fair value</b>	22.1							
Payable to the HBL Asset Management Company - Asset Management Company		-	87,622	87,622				
Payable to the Central Depository Company - Trustee		-	3,156	3,156				
Accrued expenses and other liabilities		-	8,641	8,641				
		-	99,419	99,419				

Particulars	June 30, 2024						
	Plan II						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note ----- (Rupees in '000) -----						
<b>Financial assets not measured at fair value</b>	22.1						
Bank balances		-	9,801,156	9,801,156			
Profit / mark-up receivable		-	169,254	169,254			
		-	9,970,410	9,970,410			
<b>Financial liabilities not measured at fair value</b>	22.1						
Payable to the HBL Asset Management Company - Asset Management Company		-	647	647			
Payable to the Central Depository Company - Trustee		-	232	232			
Accrued expenses and other liabilities		-	8,947	8,947			
		-	9,826	9,826			

**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 TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE**

Brokers during the year ended June 30, 2025

- 1 Continental Exchange (Pvt) Ltd.
- 2 Optimus Capital Management (Pvt.) Ltd
- 3 A.H.M. Securities (Private) Limited
- 4 AKD Securities Limited
- 5 Alfalah CLSA Securities (Private) Limited
- 6 BMA Capital Management Limited
- 7 First Credit And Investment Bank Limited
- 8 Pearl Securities Limited
- 9 Summit Capital (Private) Limited
- 10 Invest One Market Ltd

Brokers during the year ended June 30, 2024

- 1 Al Falah CLSA Securities (Pvt) Ltd
- 2 Next Capital Limited
- 3 BMA Capital Management Ltd
- 4 Optimus Markets (Pvt) Ltd
- 5 C & M Management (Pvt.) Ltd
- 6 Paramount Capital (Pvt.) Ltd
- 7 Arif Habib Limited
- 8 Bright Capital (Pvt) Ltd
- 9 K-Trade Limited
- 10 Invest One Markets Ltd

**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 UNITHOLDING**

Plan I				
----- As at June 30, 2025 -----				
Category	Number of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Associated Companies	1	272	27.82	0.00%
Insurance companies	1	99	10.18	0.00%
Trust	19	1,724,044	176,606	1.57%
Retirement Funds	29	9,642,802	987,779	8.78%
Other Corporate	91	66,258,907	6,787,357	60.30%
Individuals	2121	32,251,105	3,303,703	29.35%
	2262	109,877,229	11,255,482	100.00%

Plan II				
----- As at June 30, 2025 -----				
Category	Number of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Other Corporate	2	91,709,728	9,170,973	100.00%
		91,709,728	9,170,973	100.00%

Plan I				
----- As at June 30, 2024 -----				
Category	Number of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Associated Companies	3	5,470,508	558,303.63	1.10%
Trust	11	5,038,240	514,188	1.02%
Retirement Funds	48	6,606,579	674,248	1.33%
Other Corporate	93	223,287,050	22,788,006	45.10%
Individuals	2416	254,722,125	25,996,210	51.45%
		495,124,502	50,530,955	100.00%

Plan II				
----- As at June 30, 2024 -----				
Category	Number of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				
Other Corporate	1	99,462,771	9,957,119	100.00%
		99,462,771	9,957,119	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:

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	-	-

**27 TOTAL EXPENSE RATIO**

In accordance with the Directive 23 of 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 1.68% (2024: 1.86%) and 0.73% which includes 0.28% (2024: 0.23%) and 0.16% representing Government Levy and SECP fee of HBL Financial Sector Income Fund Plan I and Plan II respectively.

**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 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 28 August, 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** Total Treasury  
Exchange Traded  
Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	HBL Total Treasury Exchange Traded Fund
<b>NAME OF AUDITOR</b>	Yousuf Adil, Chartered Accountants
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited.
<b>NAME OF BANKERS</b>	Soneri Bank limited
<b>FUND RATING</b>	AA-(f) (JCR - VIS)



**Type and Category of Fund**

**Open end Exchange Traded Fund**

**Investment Objective and Accomplishment of Objective**

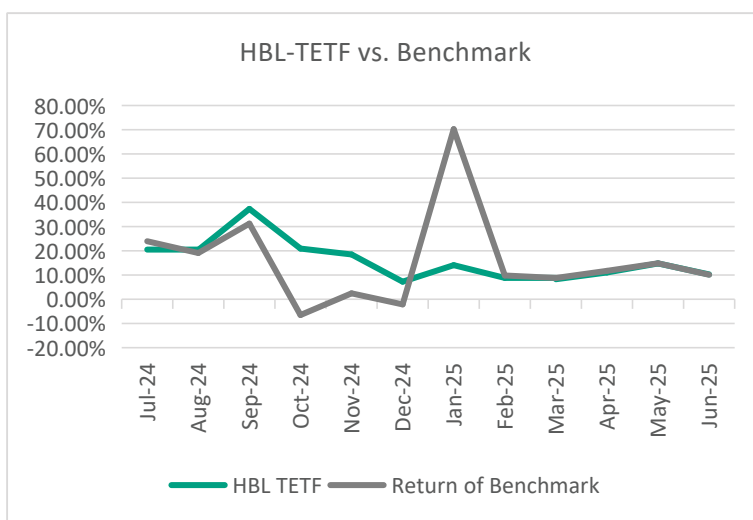
HBL Total Treasury Exchange Traded Fund (HBL TT ETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of its specified Benchmark Index.

**Benchmark and Performance Comparison with Benchmark**

The Benchmark of the Fund is HBL Total Treasury Index

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

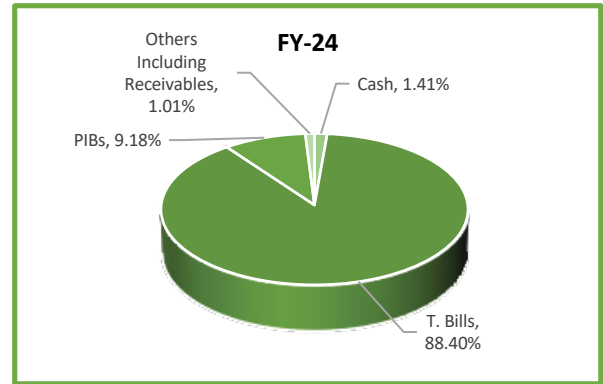
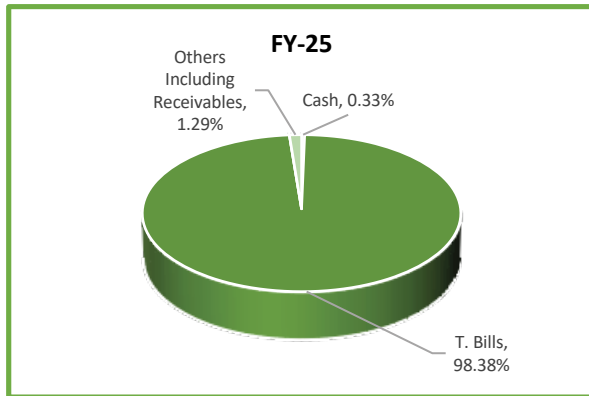
Month	HBL-TETF	Benchmark
Jun-25	10.25%	10.10%
May-25	14.78%	14.84%
Apr-25	11.05%	11.72%
Mar-25	8.26%	8.78%
Feb-25	8.81%	9.81%
Jan-25	14.08%	70.24%
Dec-24	7.25%	-2.13%
Nov-24	18.50%	2.44%
Oct-24	20.92%	-6.52%
Sep-24	37.31%	31.23%
Aug-24	20.37%	19.09%
Jul -24	20.50%	23.95%



**Strategies and Policies employed during the Year**

As at June end, the fund tracked the index and 98.38% of the net assets were deployed in T-bills while cash exposure was recorded at 0.33%. The Fund's exposures move in tandem with the index.

## Asset Allocation



## Fund Performance

The total income and net income of the Fund was Rs. 92.78 million and Rs. 87.39 million respectively during the year ended June 30, 2025. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.2316 per unit as on June 30, 2025 (after incorporating dividend of Rs. 16.00 per unit) thereby giving an annualized return of 17.23%. During the same period, the benchmark return was 17.29%. The size of Fund was Rs. 516 million as on June 30, 2025 as compared to Rs. 509 million 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. 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.

## Distribution

The Fund has distributed cash dividend of Rs. 16.00 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 year under review.

### Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 – 100	54	3,793
101 – 500	37	12,707
501 – 1,000	14	11,800
1,001 – 5000	15	34,700
5,001 – 10,000	4	30,300
10,001 – 500,000	9	442,650
500,001 – 1,000,000	1	606,300
1,000,001 – 5,000,000	1	3,857,750
5,000,001 and above	-	-
Total	135	5,000,000

### 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 TOTAL TREASURY EXCHANGE TRADED FUND**  
*As at June 30, 2025*

	2025	2024	2023
<b>NET ASSETS AND PRICES</b>			
Net assets at the period end(Rs'000)	516,159	508,766	501,324
Net asset value per unit at the period end/period end(Rs) *	103.2316	101.7531	10.0265
Selling price/repurchasing price *	103.2316	101.7531	10.0265
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>			
Highest selling price per unit(Rs) *	118.8799	121.3103	11.4055
Lowest selling price per unit(Rs) *	101.7996	10.4265	10.0000
Highest repurchase price per unit(Rs) *	118.8799	121.3103	11.4055
Lowest repurchasing price per unit(Rs) *	101.7996	10.4265	10.0000
<b>RETURN ( % )</b>			
Total return	17.23%	21.40%	17.83%
Income distribution	15.72%	19.95%	17.50%
Capital growth	1.51%	1.45%	0.33%
<b>DISTRIBUTION</b>			
Final dividend distribution *	16.00	20.00	1.40
Total dividend distribution for the year/ period *	16.00	20.00	1.40
<b>AVERAGE RETURNS ( % )</b>			
Average annual return 1 year	17.23%	21.40%	17.83%
Average annual return 2 year	19.32%	19.62%	N/A
Average annual return 3 year	18.82%	N/A	N/A
Weighted average portfolio during (No. of days)	127	204	13
<b>PORTFOLIO COMPOSITION (%)</b>			
Percentage of Total Assets as at 30 June:			
Bank Balances	0.33%	1.41%	0.76%
T. Bills	98.38%	88.40%	99.15%
PIBs	0.00%	9.18%	0.00%
Others including Receivables	1.29%	1.01%	0.09%

**Disclaimer:**

\* Management company affected the consolidation of units in the ratio of 10 units for every 100 units disclosed in Note 15.1 of financial statement.

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

**TRUSTEE REPORT TO THE UNIT HOLDERS**



**HBL TOTAL TREASURY EXCHANGE TRADED 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 Total Treasury Exchange Traded 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 Unit Holders of HBL Total Treasury Exchange Traded Fund

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **HBL Total Treasury Exchange Traded 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	<p><b>Valuation and existence of investments</b></p> <p>As disclosed in note 6.1 of the financial statements, investments held at fair value through profit or loss amounted to Rs. 514.966 million as at June 30, 2025, consisting of government securities which represent a significant item on the statement of assets and liabilities of the Fund.</p>	<p>We performed the following procedures during our audit of investments:</p> <ul style="list-style-type: none"> <li>tested valuations to ensure that the investments are valued as per the valuation methodology disclosed in the accounting policies;</li> <li>matched the number of securities held by the Fund with the Central Depository Company's Account Statement and check for reconciliation of the differences if any;</li> </ul>



S. No.	Key audit matter	How the matter was addressed in our audit
	We have identified the existence and valuation as the significant areas during our audit of investment.	<ul style="list-style-type: none"> <li>matched government 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;</li> </ul>

#### 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.

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: AR202510057UmKw1sjrH



# HBL Total Treasury Exchange Traded Fund

## Statement of Assets and Liabilities

As at June 30, 2025

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
Bank balances	5	7,188	8,444
Investments	6	514,966	501,974
Profit / markup receivable	7	18	2,723
Preliminary expenses and floatation costs	8	200	286
Advances and deposits	9	2,156	2,156
<b>TOTAL ASSETS</b>		<b>524,528</b>	<b>515,582</b>
<b>LIABILITIES</b>			
Payable to the Management Company	10	771	869
Payable to the Trustee	11	54	54
Payable to Securities and Exchange Commission of Pakistan	12	44	46
Dividend payable		2,203	5,338
Accrued expenses and other liabilities	13	5,297	509
<b>TOTAL LIABILITIES</b>		<b>8,369</b>	<b>6,816</b>
<b>NET ASSETS</b>		<b>516,159</b>	<b>508,766</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)</b>			
		<b>516,159</b>	<b>508,766</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14	-----Number of units-----	
<b>NUMBER OF UNITS IN ISSUE</b>	15	<b>5,000,000</b>	<b>5,000,000</b>
		----- (Rupees) -----	
<b>NET ASSETS VALUE PER UNIT</b>	4.7	<b>103.2316</b>	<b>101.7531</b>

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 TOTAL TREASURY EXCHANGE TRADED FUND

## Income Statement

For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
Note	----- (Rupees in '000) -----	
<b>INCOME</b>		
Capital gain / (loss) on sale of investments - net	11,462	(552)
Income from government securities	78,509	101,804
Profit on bank deposit	1,217	14,917
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.2 1,507	(1,357)
Other income	82	-
<b>TOTAL INCOME</b>	<b>92,777</b>	<b>114,812</b>
<b>EXPENSES</b>		
Remuneration of the Management Company	10.1 2,132	2,843
Sindh Sales Tax on remuneration of the Management Company	10.2 320	370
Allocated expense	10.3 229	1,113
Remuneration of the Trustee	11.1 558	557
Sindh Sales Tax on remuneration of the Trustee	11.2 84	72
Securities and Exchange Commission of Pakistan fee	12.1 530	528
Consolidation fee	15.1 -	814
Brokerage and settlement charges	78	77
Auditors' remuneration	16 636	606
Fees and subscription	351	-
Legal and professional charges	149	-
Bank charges	127	100
Printing and stationery	104	202
Amortisation of preliminary expenses	86	88
	5,384	7,370
Element of income and capital gains included in prices of units issued less those in units redeemed - net	-	-
<b>Net income for the year before taxation</b>	<b>87,393</b>	<b>107,442</b>
Taxation	17 -	-
<b>Net income for the year after taxation</b>	<b>87,393</b>	<b>107,442</b>
<b>Allocation of net income for the period</b>		
<b>Accounting income available for distribution:</b>		
Relating to capital gains	12,969	-
Excluding capital gains	74,424	107,442
	87,393	107,442
	87,393	107,442
	----- (Rupees) -----	
<b>Earnings per unit</b>	<b>17.48</b>	<b>21.49</b>

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 Total Treasury Exchange Traded Fund Statement of Comprehensive Income

For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
Net income for the year after taxation	87,393	107,442
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>87,393</b>	<b>107,442</b>

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 Total Treasury Exchange Traded Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

	June 30, 2025			June 30, 2024		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
<b>Net assets at beginning of the year</b>	<b>500,000</b>	<b>8,766</b>	<b>508,766</b>	500,000	1,324	501,324
Total comprehensive income for the year	-	<b>87,393</b>	<b>87,393</b>	-	107,442	107,442
Interim distribution of Rs.16 per unit declared on June 23, 2025 as cash dividend (2024: Rs. 14 per unit)	-	<b>(80,000)</b>	<b>(80,000)</b>	-	(100,000)	(100,000)
	-	<b>7,393</b>	<b>7,393</b>	-	7,442	7,442
<b>Net assets at end of the year</b>	<b>500,000</b>	<b>16,159</b>	<b>516,159</b>	500,000	8,766	508,766
<b>Undistributed income brought forward</b>						
- Realised		<b>10,123</b>			<b>1,536</b>	
- Unrealised		<b>(1,357)</b>			<b>(212)</b>	
		<b>8,766</b>			<b>1,324</b>	
<b>Accounting income available for distribution</b>						
- Relating to capital gains		<b>12,969</b>			-	
- Excluding capital gains		<b>74,424</b>			107,442	
		<b>87,393</b>			107,442	
Distribution for the year :		<b>(80,000)</b>			(100,000)	
<b>Undistributed income carried forward</b>		<b>16,159</b>			<b>8,766</b>	
<b>Undistributed income carried forward</b>						
- Realised		<b>14,652</b>			10,123	
- Unrealised		<b>1,507</b>			(1,357)	
		<b>16,159</b>			<b>8,766</b>	
		<b>Rupees</b>			<b>Rupees</b>	
<b>Net asset value per unit at beginning of the year</b>		<b>101.7531</b>			10.0265	
<b>Net asset value per unit at end of the year</b>		<b>103.2316</b>			101.7531	

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 Total Treasury Exchange Traded Fund

## Statement of Cash Flow

For the year ended June 30, 2025

	June 30, 2025	June 30, 2024
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	87,393	107,442
<b>Adjustments for non-cash and other items:</b>		
Capital loss on sale of investments - net	(11,462)	552
Income from government securities	(78,509)	(101,804)
Profit on bank deposit	(1,217)	(14,917)
Unrealised loss on re-measurement of investments at fair value through profit or loss - net	(1,507)	1,357
Preliminary expenses and floatation costs	86	88
	<u>(5,216)</u>	<u>(7,282)</u>
<b>Increase in assets</b>		
Investments - net	<u>(23)</u>	<u>(503,883)</u>
	(23)	(503,883)
<b>Increase / (Decrease) in liabilities</b>		
Payable to the Management Company	(98)	(42)
Payable to the Trustee	-	1
Payable to the Securities and Exchange Commission of Pakistan	(2)	(39)
Accrued expenses and other liabilities	4,788	161
	<u>4,688</u>	<u>81</u>
<b>Net Cash used in operations</b>	<u>(551)</u>	<u>(511,084)</u>
Income received from government securities	81,125	99,188
Profit received on bank deposits	1,306	14,866
	<u>82,430</u>	<u>114,054</u>
<b>Net cash generated from / (used in) operating activities</b>	<u>81,879</u>	<u>(397,030)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(83,135)	(164,662)
<b>Net cash used in financing activities</b>	<u>(83,135)</u>	<u>(164,662)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(1,256)</u>	<u>(561,692)</u>
Cash and cash equivalents at beginning of the year	8,444	570,136
<b>Cash and cash equivalents at end of the year</b>	<u>7,188</u>	<u>8,444</u>

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 Total Treasury Exchange Traded Fund (the Fund) was established under a Trust Deed, dated August 16, 2021 under the 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 Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on November 30, 2021. The Fund is registered on December 06, 2021.

The Management Company of the Fund has been registered as a Non-Banking Finance Company 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 at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.

**1.2** The Fund is a hybrid fund having features of both open and closed end fund. A concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contract with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either hold units or trade them in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of units will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.

**1.3** The Fund has been categorised as Exchange Traded Fund as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS) and is listed on the PSX.

**1.4** The objective of the Fund is to invest in a particular basket of government securities to track the performance of component securities of the benchmark index which is constituted and managed by the Management Company. o the assets of the Fund is held in the name of CDC as Trustee of the Fund.

**1.6** VIS Credit Rating Company Limited has assigned management quality rating of AM1 dated December 31, 2024 to the Management Company and "AA-(f)" as stability rating dated March 28, 2025 to 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, 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 VIII A 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 VIII A 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 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 judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- (a) Classification and measurement of financial assets (notes 4.1.1.1 and 6)
- (b) Impairment of financial assets (note 4.1.1.3)
- (c) Provisions (note 4.3)
- (d) Classification and measurement of financial liabilities (note 4.1.2.1)
- (e) Contingencies and Commitments (note 14)
- (f) Taxation (notes 4.4 and 17)

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.

## **2.3 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. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

## **2.4 Basis of measurement**

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

## **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 Standard and amendments to IFRS that are not yet effective

The following standards 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

	<b>Effective from accounting period beginning on or after</b>
- 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
- 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' - 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

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

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

### 4.1 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.

#### **4.1.1 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 market place.

##### **4.1.1.1 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 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.

#### **4.1.1.2 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 (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)."

#### **4.1.1.3 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.

#### **4.1.1.4 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.

#### **4.1.2 Financial liabilities**

##### **4.1.2.1 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.

##### **4.1.2.2 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.

#### **4.1.3 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.

#### **4.2 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.

#### **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 the obligation can be made. Provisions, if any, 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 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.

#### **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**

"Authorised Participants (APs) can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing); and
- Such amount as the Management Company may consider an appropriate provision for duties and charges.

- Such sum shall be adjusted upward to the nearest paisa.

Units of the Fund may be acquired or redeemed directly from the Fund only in creation units lot size or multiples thereof as mentioned in the Offering Document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund."

#### 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 issue at the year end.

#### 4.8 Revenue recognition

- Capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Profit / return on Government securities and investment in debt securities are recognised at a time apportionment basis using the effective interest rate method.
- 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.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

#### 4.9 Expenses

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

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>5. BANK BALANCES</b>			
Savings account	5.1	<u>7,188</u>	<u>8,444</u>
5.1	These carry profit at the rates ranging between 9.50% to 10.50% (2024: 21.40% to 22.50%) per annum.		
		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>6. INVESTMENTS</b>			
<b>Financial asset at fair value through profit or loss</b>			
Government securities	6.1	<u>514,966</u>	<u>501,974</u>
6.1 <b>Government securities</b>			
Market treasury bills	6.1.1	<u>514,966</u>	454,742
Pakistan investment bond - Fixed	6.1.2	<u>-</u>	<u>47,232</u>
		<u>514,966</u>	<u>501,974</u>

### 6.1.1 Market treasury bills

Particulars	Issue Date	Face value			As at June 30, 2025			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 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		
(Rupees in '000)									
Treasury bills - 6 months	August 22, 2024	-	200,000	200,000	-	-	-	-	-
Treasury bills - 12 months	October 19, 2023	96,820	-	96,820	-	-	-	-	-
Treasury bills - 12 months	November 02, 2023	100,000	-	100,000	-	-	-	-	-
Treasury bills - 12 months	November 16, 2023	290,000	-	290,000	-	-	-	-	-
Treasury bills - 12 months	August 22, 2024	-	200,000	200,000	-	-	-	-	-
Treasury bills - 12 months*	October 03, 2024	-	170,000	83,000	87,000	84,362	84,627	265	16.43
Treasury bills - 12 months*	October 17, 2024	-	240,000	-	240,000	231,552	232,511	959	45.15
Treasury bills - 12 months*	December 12, 2024	-	200,000	-	200,000	190,442	190,706	264	37.03
Treasury bills - 12 months*	December 26, 2024	-	7,500	-	7,500	7,103	7,122	19	1.38
<b>As at June 30, 2025</b>						<b>513,459</b>	<b>514,966</b>	<b>1,507</b>	
As at June 30, 2024						456,379	454,742	(1,637)	

\* These market treasury bills carry effective yield at the rate ranging from 11.98% to 13.64% (2024: 21.43% to 22.78%) per annum.

### 6.1.2 Pakistan Investment Bonds - Fixed

Particulars	Issue Date	Face value			As at June 30, 2025			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2024	Purchases during the Year	Sales during the Year	As at June 30, 2025	Carrying Value as at June 30, 2025	Market Value as at June 30, 2025		
(Rupees in '000)									
Pakistan investment bonds - 3 years	February 15, 2024	50,000	-	50,000	-	-	-	-	-
<b>As at June 30, 2025</b>						<b>-</b>	<b>-</b>	<b>-</b>	
As at June 30, 2024						46,952	47,232	280	

This carried effective yield at the rate Nil (2024: 16.66%) per annum.

**Note**      **June 30, 2025**      **June 30, 2024**  
----- (Rupees in '000) -----

### 6.2 Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net

Market value of investment	6.1.1, 6.1.2	<b>514,966</b>	501,974
Carrying value of investment	6.1.1, 6.1.2	<b>(513,459)</b>	(503,331)
		<b>1,507</b>	(1,357)

**7. PROFIT / MARK-UP RECEIVABLE**

Profit receivable on:

- Bank deposits		18	107
- Government Securities		-	2,616
		<u>18</u>	<u>2,723</u>

**8. PRELIMINARY EXPENSES AND FLOATATION COSTS**

Preliminary expenses and floatation costs	8.1	286	374
Amortisation during the period		<u>(86)</u>	<u>(88)</u>
		<u>200</u>	<u>286</u>

8.1 This represents all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the fund which is being amortised by the Fund over the period of five years commencing from September 12, 2022 in accordance with the Trust Deed and Regulation 60 of the NBFC Regulations.

	<b>June 30,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2024</b>
<b>Note</b>	-----	-----
	<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>

**9. ADVANCES AND DEPOSITS**

Security deposits with Central Depository Company of Pakistan Limited		100	100
Advance Tax	9.1	<u>2,056</u>	<u>2,056</u>
		<u>2,156</u>	<u>2,156</u>

9.1 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 upto tax year 2021.

	<b>June 30,</b>	<b>June 30,</b>
	<b>2025</b>	<b>2024</b>
<b>Note</b>	-----	-----
	<b>(Rupees in '000)</b>	<b>(Rupees in '000)</b>

**10. PAYABLE TO THE MANAGEMENT COMPANY**

Remuneration payable to the Management Company	10.1	188	192
Sindh Sales Tax payable on Management Company's remuneration	10.2	28	25
Formation cost payable		555	555
Allocated Expenses	10.3	<u>-</u>	<u>97</u>
		<u>771</u>	<u>869</u>

10.1 As per Regulation 61 of the 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 0.5% per annum of average annual net assets. During the year, the fee is being charged at the rate 0.4% of the average annual net assets accordingly. The fee is payable monthly in arrears.

**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. However, prior to such amendment, the Management Company charged such allocated expenses to the Fund at their discretion, subject to limits and conditions specified in the offering documents and not being higher than actual expenses.

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>11. PAYABLE TO THE TRUSTEE</b>			
Trustee fee payable	11.1	47	48
Sindh Sales Tax payable on remuneration of the Trustee	11.2	7	6
		<b>54</b>	<b>54</b>

**11.1** The Trustee is entitled to a monthly remuneration for services rendered to the Fund at the rate of 0.1% per annum of Net assets 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 on monthly in arrears.

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

		June 30, 2025	June 30, 2024
	Note	----- (Rupees in '000) -----	
<b>12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>			
SECP fee payable	12.1	44	46

**12.1** The Fund has charged SECP fee at the rate of 0.095% of the average daily net assets of the Fund which is paid on a monthly basis in arrears.

		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>13. ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Withholding tax payable		4,357	24
Auditors' remuneration		454	414
Legal and professional charges payable		263	-
Zakat payable		162	-
Printing and stationery payable		41	63
Bank charges payables		19	5
Brokerage payable		1	3
		<b>5,297</b>	<b>509</b>

**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
	Note	----- (Number of Units) -----	
<b>15. NUMBER OF UNITS IN ISSUE</b>			
Total units in issue at the beginning of the year		5,000,000	50,000,000
Units issued during the year		-	-
Impact of consolidation of units during the year	15.1	-	(45,000,000)
Units redeemed during the year		-	-
Total units in issue at the end of the year		<u>5,000,000</u>	<u>5,000,000</u>

**15.1** The HBL Asset Management Limited (The Management Company) affected the consolidation of units of the Fund in the ratio of 10 units for every 100 units of the Fund held by the unitholders. The Management Company announced the book closure of the Fund from December 19, 2023 to December 21, 2023 to give effect to the change in face value in the units of the Fund. The trading in the units of the Fund was suspended w.e.f December 15, 2023.

Trading in the units of the Fund resumed from December 22, 2023 and the opening price of the units of the Fund was 10x (ten times) of the closing price of its units on the last trading day i.e. December 14, 2023. The matter of consolidation was appropriately disclosed to the market participants via announcement through PSX.

		June 30, 2025	June 30, 2024
		----- (Rupees in '000) -----	
<b>16. AUDITORS' REMUNERATION</b>			
Annual audit fee		372	355
Half yearly review fee		163	155
Out of pocket and other certification expenses		54	51
		<u>589</u>	<u>561</u>
Sindh Sales Tax		47	45
		<u>636</u>	<u>606</u>

**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 its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unitholders in cash. Furthermore, 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 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 atleast 90% of the Fund's accounting income as reduced by accumulated losses and capital gains whether realised or unrealised, for the year ended June 30, 2025 to its unit holders.

**18. TOTAL EXPENSE RATIO**

The Total Expense Ratio of the Fund for the year is 0.97% (2024: 1.33%) and this includes 0.17% (2024: 0.18%) representing government levy, and SECP fee etc. This ratio is within the maximum limit of 1.5% prescribed under the NBFC Regulations for a Collective Investment Scheme categorised as an "Index" scheme.



**19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties / connected persons include HBL Asset Management Limited, being the Management Company, Habib Bank Limited, being the Sponsor of the Management Company, CDC, 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, respectively.

Details of the transactions with related parties / connected persons and balances with them are as follows:

	June 30, 2025	June 30, 2024
Note	(Rupees in '000)	
<b>19.1 Details of transactions with related parties / connected persons during the year:</b>		
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration of the Management Company	2,132	2,843
Sindh Sales Tax on remuneration of the Management Company	320	370
Allocated Expenses	229	1,113
Amount received from Management Company against issuance to unitholders *	82	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee remuneration	558	557
Sindh Sales Tax payable on the Trustee fee	84	72
<b>HBL - Cash Fund - Associate</b>		
Sale of market treasury bills	-	110,000
<b>HBL Government Securities Fund - Associate</b>		
Sale of market treasury bills	52,449	1,180
<b>HBL Financial Sector Income Fund Plan I - Associate</b>		
Sale of market treasury bills	95,139	-
Dividend paid	60,178	68,885
<b>HBL Money Market Fund - Associate</b>		
Sale of market treasury bills	358,456	572,000
<b>HBL Income Fund - Associate</b>		
Sale of market treasury bills	210,534	-
<b>Habib Bank Limited - Authorized Participant</b>		
Sale of market treasury bills	80,630	49,000
Dividend Paid	2,582	5,856

\*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.

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
<b>19.2 Balances outstanding as at year end</b>	<b>(Rupees in '000)</b>	
<b>HBL Asset Management Limited - Management Company</b>		
Remuneration payable to the Management Company	<b>188</b>	192
Sindh Sales Tax payable on Management Company's remuneration	<b>28</b>	25
Allocated Expenses	-	97
Formation cost payable	<b>555</b>	555
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Trustee fee payable	<b>47</b>	48
Sindh Sales Tax payable on Trustee Fee	<b>7</b>	6
<b>Habib Bank Limited - Authorised Participant *</b>		
Investment held in the Fund: 190,300 units (2024: 292,800 units)	<b>19,645</b>	29,793
<b>CDC Trustee HBL Financial Sector Income Fund Plan I - Associate *</b>		
Investment held in the Fund: 3,857,750 units (2024: 3,444,250 units)	<b>398,242</b>	350,463

\* The movement of units not shown in related party transactions as the trade of the units carried in secondary market, i.e: PSX. Therefore, transactions during the period is not connected with the Fund.

## 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 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
<b>Level 1:</b>	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.
<b>Level 2:</b>	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.
<b>Level 3:</b>	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	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)							
<b>Financial assets measured at fair value</b>							
Market treasury bills	514,966	-	514,966	-	514,966	-	514,966
Pakistan Investment Bonds	-	-	-	-	-	-	-
	<u>514,966</u>	<u>-</u>	<u>514,966</u>	<u>-</u>	<u>514,966</u>	<u>-</u>	<u>514,966</u>
<b>Financial assets not measured at fair value</b>							
Bank balance	-	7,188	7,188				
Profit / markup receivable	-	18	18				
Deposits	-	100	100				
	<u>-</u>	<u>7,306</u>	<u>7,306</u>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	743	743				
Payable to the Trustee	-	47	47				
Dividend payable	-	2,203	2,203				
Accrued expenses and other liabilities	-	744	744				
	<u>-</u>	<u>3,737</u>	<u>3,737</u>				

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	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
As at June 30, 2024							
(Rupees in '000)							
<b>Financial assets measured at fair value</b>							
Market treasury bills	454,742	-	454,742	-	454,742	-	454,742
Pakistan Investment Bonds	47,232	-	47,232	-	47,232	-	47,232
	<u>501,974</u>	<u>-</u>	<u>501,974</u>	<u>-</u>	<u>501,974</u>	<u>-</u>	<u>501,974</u>
<b>Financial assets not measured at fair value</b>							
Bank balance	-	8,444	8,444				
Profit / markup receivable	-	2,723	2,723				
Deposits	-	100	100				
	<u>-</u>	<u>11,267</u>	<u>11,267</u>				
<b>Financial liabilities not measured at fair value</b>							
Payable to the Management Company	-	844	844				
Payable to the Trustee	-	48	48				
Dividend payable	-	5,338	5,338				
Accrued expenses and other liabilities	-	454	454				
	<u>-</u>	<u>12,023</u>	<u>12,023</u>				

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 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."

### 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 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.

#### 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 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
	Note	----- (Rupees in '000) -----	
<b>Variable rate instrument (financial asset)</b>			
Bank balances	5	<u>7,188</u>	<u>8,444</u>
<b>Fixed rate instrument (financial asset)</b>			
Government securities	6.1	<u>514,966</u>	<u>501,974</u>

#### 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. 0.07 million (2024: Rs. 0.08 million).

**b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2025, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by Financial Markets Association of Pakistan FMAP on June 30, 2025, the net income for the year and net assets would be lower / higher by Rs. 5.15 million (2024: Rs. 5.02 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	9.5 to 10.50	<b>7,188</b>	-	-	-	<b>7,188</b>
Investments	11.98 to 13.64	-	<b>514,966</b>	-	-	<b>514,966</b>
Profit / markup receivable		-	-	-	<b>18</b>	<b>18</b>
Deposits		-	-	-	<b>100</b>	<b>100</b>
		<b>7,188</b>	<b>514,966</b>	-	<b>118</b>	<b>522,272</b>

**Financial Liabilities**

Payable to Management Company		-	-	-	<b>743</b>	<b>743</b>
Payable to Trustee		-	-	-	<b>47</b>	<b>47</b>
Dividend payable		-	-	-	<b>2,203</b>	<b>2,203</b>
Accrued expenses and other liabilities		-	-	-	<b>744</b>	<b>744</b>
		-	-	-	<b>3,737</b>	<b>3,737</b>

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 year	More than one year	Not exposed to yield / interest risk	
----- % -----	----- (Rupees in '000) -----				

On-balance sheet financial instruments

Financial assets

Bank balances	21.40 to 22.50	8,444	-	-	-	8,444
Investments	16.66 to 22.78	-	454,742	47,232	-	501,974
Profit / markup receivable		-	-	-	2,723	2,723
Deposits		-	-	-	100	100
		8,444	454,742	47,232	3,109	513,527

Financial liabilities

Payable to Management Company	-	-	-	844	844
Payable to Trustee	-	-	-	48	48
Dividend payable	-	-	-	5,338	5,338
Accrued expenses and other liabilities	-	-	-	454	454
	-	-	-	6,685	6,685

**21.1.3 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.

**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 and profit receivable thereon. There is no risk attributable on investments, as all investments are made in government securities as per offering document, while the bank balances are maintained with bank with a reasonably high credit rating.

Credit risk from bank balances and financial institutions is managed in accordance with the Fund's policy. Investments of 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 of the management company. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2025 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in government securities (if any) are not exposed to credit risk as they are guaranteed by the Government of Pakistan.

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	7,188	7,188	8,444	8,444
Investments	514,966	-	501,974	-
Profit / markup receivable	18	18	107	107
Deposit	100	100	100	-
	<b>522,272</b>	<b>7,306</b>	<b>510,625</b>	<b>8,551</b>

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2025 and June 30, 2024:

Bank balances by rating category	June 30, 2025		June 30, 2024	
	Rupees in '000	%	Rupees in '000	%
AA-	7,188	100.00	8,444	100.00
	<b>7,188</b>	<b>100.00</b>	<b>8,444</b>	<b>100.00</b>

Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2025.

Investments in market 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 investment.

#### 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 concentrated in bank balances other than the Government securities.

#### 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 using the central clearing system.

### 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'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 table below analysis 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 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
----- Rupees in '000 -----					
<b>Financial assets</b>					
Bank balances	7,188	-	-	-	7,188
Investments	-	-	514,966	-	514,966
Profit / markup receivable	18	-	-	-	18
Deposit	100	-	-	-	100
	<b>7,306</b>	<b>-</b>	<b>514,966</b>	<b>-</b>	<b>522,272</b>
<b>Financial liabilities</b>					
Payable to Management Company	743	-	-	-	743
Payable to Trustee	47	-	-	-	47
Dividend payable	2,203	-	-	-	2,203
Accrued expenses and other liabilities	744	-	-	-	744
	<b>3,737</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,737</b>
<b>On-balance sheet gap</b>	<b>3,569</b>	<b>-</b>	<b>514,966</b>	<b>-</b>	<b>-</b>
<b>Total liquidity sensitivity gap</b>	<b>3,569</b>	<b>-</b>	<b>514,966</b>	<b>-</b>	<b>-</b>
<b>Cumulative liquidity sensitivity gap</b>	<b>3,569</b>	<b>3,569</b>	<b>518,535</b>	<b>518,535</b>	<b>518,535</b>



As at 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	8,444	-	-	-	-	8,444
Investments	-	-	454,742	47,232	-	501,974
Profit receivable	2,723	-	-	-	-	2,723
Deposit	100	-	-	-	-	100
	11,267	-	454,742	47,232	-	513,241

Financial liabilities

Payable to Management Company	844	-	-	-	-	844
Payable to Trustee	48	-	-	-	-	48
Dividend payable	5,338	-	-	-	-	5,338
Accrued expenses and other liabilities	454	-	-	-	-	454
	6,685	-	-	-	-	6,685

On-balance sheet gap	4,582	-	454,742	47,232	-
Total liquidity sensitivity gap	4,582	-	454,742	47,232	-
Cumulative liquidity sensitivity gap	4,582	4,582	459,324	506,556	506,556

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

Brokers during the year ended June 30, 2025

There were no transactions executed through brokers in current year.

Brokers during the period ended June 30, 2024

1. Al Falah CLSA Securities (Private) Limited
2. Continental Exchange (Private) Limited
3. Currency Market Associates (Private) Limited

**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	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.	Rahat Saeed Khan	Head of Fixed Income	MBA	28
4.	Amin Muhammad	Head of Risk	MBA	33
5.	Hammad Ali Abbas	Senior Fund Manager	MSC	20

**24. 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') -----%-----				
NBFCs	1	3,857,750	398,242	77.16
Individuals	131	951,800	98,256	19.04
Banks and DFIs	1	190,300	19,645	3.81
Public limited companies	2	150	15	0.00
	<b>135</b>	<b>5,000,000</b>	<b>516,159</b>	<b>100.00</b>

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') -----%-----				
NBFCs	1	3,444,250	350,463	68.89
Individuals	89	721,400	73,405	14.43
Public limited companies	3	541,550	55,104	10.83
Banks and DFIs	1	292,800	29,793	5.86
	<b>94</b>	<b>5,000,000</b>	<b>508,766</b>	<b>100.00</b>

**25. 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	-	-

\* 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, the effect of which is not material.

## 27. GENERAL

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** Mehfooz  
Munafa Fund

## FUND INFORMATION

<b>NAME OF FUND</b>	HBL Mehfooz Munafa Fund
<b>NAME OF AUDITOR</b>	BDO Ebrahim & Co. Chartered Accountants.
<b>NAME OF TRUSTEE</b>	Central Depository Company of Pakistan Limited.
<b>NAME OF BANKERS</b>	Habib Bank Limited United Bank Limited Faysal Bank Limited

**Type and Category of Fund**

Open end Fixed Rate Fund

**Investment Objective and Accomplishment of Objective**

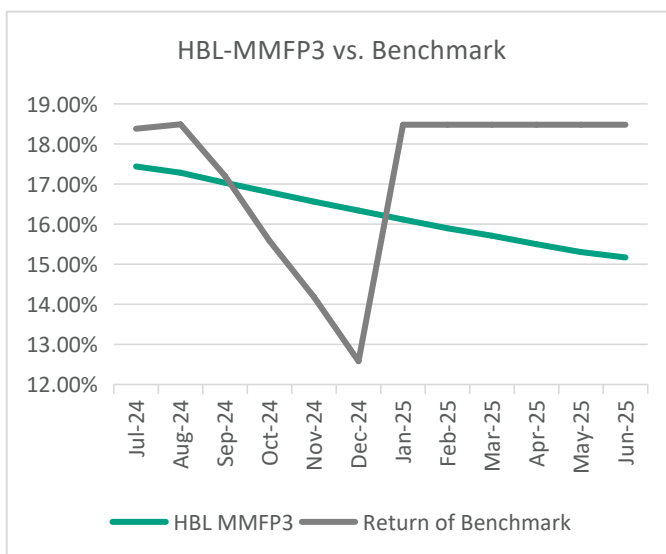
The investment objective of the Fund is to provide competitive returns to its investors through active investment in low-risk portfolio of short duration, while maintaining high liquidity. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools.

**Benchmark and Performance Comparison with Benchmark**

The Fund's benchmark is PKRV/PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.

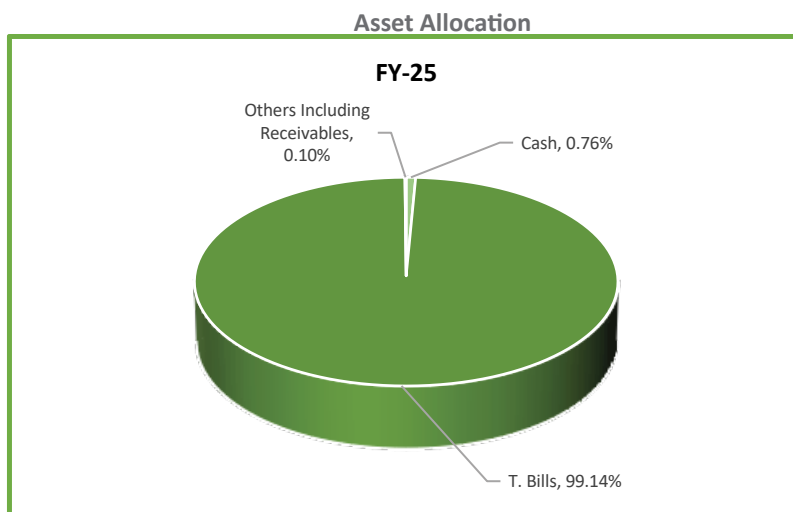
The comparison of the fund return with benchmark is given below:

Month	Return of Fund	
	HBL -MEMF	Benchmark
Jun-25	15.17%	18.48%
May-25	15.30%	18.48%
Apr-25	15.50%	18.48%
Mar-25	15.71%	18.48%
Feb-25	15.90%	18.48%
Jan-25	16.11%	18.48%
Dec-24	16.34%	12.58%
Nov-24	16.56%	14.18%
Oct-24	16.80%	15.58%
Sep-24	17.03%	17.20%
Aug-24	17.28%	18.49%
Jul-24	17.44%	18.38%



**Strategies and Policies employed during the Year**

HBL Mehfooz Munafa Fund was launched with the basic objective of providing a fixed rate return to its investors for a limited timeframe. The fund invested majority of the amount in shorter duration government securities to provide market competitive returns to its investors. The Tenor of the investment is generally in tandem with the tenor of the fund to avoid any mismatch.



## Fund Performance

### HBL Mehfooz Munafa Fund

The HBL Mehfooz Munafa Fund (the Fund) started launching its different plans from May 18, 2023 for different maturity tenures. As at June 30, 2025, the following plan exists under the Fund.

#### HBL Mehfooz Munafa Fund Plan-III

The total income and net income of the plan was Rs. 249.87 million and Rs. 238.05 million respectively for the period ended June 30, 2025. The net assets as at June 30, 2025 was 1.59 billion representing NAV of Rs. 100.1556 (after incorporating dividend of Rs. 16.75 per unit) thereby giving an annualized return of 17.44% against the benchmark return of 18.48%.

### 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.

### Distribution

The Fund has distributed cash dividend up-to Rs. 16.75 per unit for the year ended June 30, 2025 in its Plan-I.

### 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 (Plan-3)

Sector Name	As on Jun 2025	As on Jun 2024
1 – 100	-	-
101 – 500	-	-
501 – 1,000	-	-
1,001 – 10,000	-	-
10,001 – 100,000	-	-
500,001 – 1,000,000	-	-
100,001 – 500,000	-	-
1,000,001 – 5,000,000	-	-
5,000,001 and above	1	15,834,488
Total	1	15,834,488

#### 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 MEHFOOZ MUNAFA FUND**  
*As at June 30, 2025*

	<b>2025</b>
Net assets at the period end(Rs'000)	1,585,915
<b>NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES</b>	
Redemption	100.1556
Offer	0
<b>OFFER / REDEMPTION DURING THE PERIOD - RUPEES</b>	
▣ Highest offer price per unit	0
▣ Lowest offer price per unit	0.0000
Highest redemption price per unit	116.7778
Lowest redemption price per unit	100.0000
<b>RETURN ( % )</b>	
▣ Total return	17.44%
▣ Income distribution	16.75%
Capital growth	0.69%
<b>DISTRIBUTION</b>	
Final dividend distribution- Rs	16.75
Date of Income Distribution	2025-06-27
Total dividend distribution for the year/ period	16.75
<b>AVERAGE RETURNS ( % )</b>	
Average annual return 1 year	17.44%
Average annual return 2 year	-
Average annual return 3 year	-
<b>PORTFOLIO COMPOSITION - (%)</b>	
Percentage of Total Assets as at 30 June:	
Bank Balances	0.76%
t-bills	99.14%
Placement with Banks and DFIs	0.00%
Corporate Sukuks	0.00%
Stock / Equities	0.00%
Others	0.00%

**Note:**

▣ The Launch date of the Fund is Jan 31, 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

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**TRUSTEE REPORT TO THE UNIT HOLDERS**

**HBL MEHFOOZ MUNAFA 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 Mehfooz Munafa 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





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Pakistan

## INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL MEHFOOZ MUNAFA FUND

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of HBL Mehfooz Munafa 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 unitholders' fund, 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.

#### 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: AR202510166XeH05sGbg

  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS

# HBL Mehfooz Munafa Fund

## Statement of Assets and Liabilities

As at June 30, 2025

Note	2025								2024			
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total	
	----- Rupees in '000' -----								----- Rupees in '000' -----			
<b>ASSETS</b>												
Balances with banks	5	749	511	4,811	978	1,105	1,057	112,244	121,455	16,047	511	16,558
Investments	6	-	-	1,642,972	-	-	-	-	1,642,972	5,408,713	-	5,408,713
Profit / mark-up receivable	7	-	-	306	-	-	-	-	306	894	-	894
<b>TOTAL ASSETS</b>		749	511	1,648,089	978	1,105	1,057	112,244	1,764,733	5,425,654	511	5,426,165
<b>LIABILITIES</b>												
Payable to the HBL Asset Management Limited - Management Company	8	-	204	1,784	-	324	277	448	3,037	2,323	204	2,527
Payable to the Central Depository Company - Trustee	9	-	-	198	-	60	32	368	658	552	-	552
Payable to the Securities and Exchange Commission of Pakistan	10	-	-	100	187	-	-	502	788	666	-	666
Accrued expenses and other liabilities	11	749	307	60,092	791	721	748	110,927	174,335	60,197	307	60,504
<b>TOTAL LIABILITIES</b>		749	511	62,174	978	1,105	1,057	112,245	178,818	63,738	511	64,249
<b>NET ASSETS</b>		-	-	1,585,915	-	-	-	-	1,585,915	5,361,916	-	5,361,916
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>												
		-	-	1,585,915	-	-	-	-	1,585,915	5,361,916	-	5,361,916
<b>CONTINGENCIES AND COMMITMENTS</b>	12											
		-	-	-	-	-	-	-	-	-	-	-
<b>Number of units in issue</b>	13											
		-	-	15,834,488	-	-	-	-	15,834,488	53,372,035	-	53,372,035
<b>Net assets value per unit</b>												
		-	-	100.1556	-	-	-	-	100.4630	-	-	-

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

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

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

# HBL Mehfooz Munafa Fund

## Income Statement

For the year ended June 30, 2025

	For the period from July 01, 2024 to December 26, 2024	For the period from July 10, 2024 to June 30, 2025	For the period from September 30, 2024 to December 26, 2025	For the period from October 16, 2024 to January 09, 2025	For the period from December 06, 2024 to March 06, 2025	For the period from April 30, 2025 to June 26, 2025		For the period from January 31, 2024 to June 30, 2024	For the period from July 01, 2023 to August 09, 2023		
	Plan-I	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total	
Note ----- Rupees in '000 -----											
<b>Income</b>											
Capital gain on sale of investments - net	-	-	-	-	-	72	72	-	-	-	
Markup on:											
Government securities	501,167	248,798	202,535	143,981	104,038	172,224	1,372,743	429,490	68,675	498,165	
Bank deposits	2,540	1,076	392	1,927	1,164	2,058	9,157	894	398	1,292	
	503,707	249,874	202,927	145,908	105,202	174,354	1,381,972	430,384	69,073	499,457	
<b>Expenses</b>											
Remuneration to the HBL Asset Management Limited - Management Company	8.1	4,256	7,776	267	3,033	4,114	905	20,351	3,565	2,349	5,914
Sindh Sales Tax on remuneration of the Management Company	8.2	638	1,166	40	455	617	136	3,052	463	305	768
Remuneration of the Central Depository Company - Trustee	9.1	1,561	822	734	556	481	825	4,980	1,182	107	1,289
Sindh Sales Tax on remuneration of the Central Depository Company - Trustee	9.3	234	123	110	83	72	124	746	154	14	168
Annual fee to Securities and Exchange Commission of Pakistan	10.1	1,859	1,109	1,002	758	656	1,126	6,511	1,612	242	1,854
Allocation of fee and expenses related to registrar services, accounting, operation and valuation services	8.3	-	-	-	-	-	-	-	333	339	672
Selling and marketing expense	8.4	-	-	-	-	-	-	-	1,044	982	2,026
Auditors' remuneration	14	407	300	300	300	350	150	1,807	343	249	592
Amortisation of preliminary expenses and flotation costs		128	155	155	155	153	-	746	107	96	203
Bank charges		21	23	69	30	30	-	172	18	22	40
Legal and professional		-	150	150	150	148	38	636	-	-	-
Printing and stationary charges		166	200	200	200	198	-	964	140	85	225
		9,270	11,824	3,027	5,720	6,819	3,304	39,966	8,961	4,790	13,751
Net income for the period before taxation		494,437	238,050	199,900	140,188	98,383	171,050	1,342,006	421,423	64,283	485,706
Taxation	15	-	-	-	-	-	-	-	-	-	-
Net income for the period after taxation		494,437	238,050	199,900	140,188	98,383	171,050	1,342,006	421,423	64,283	485,706
<b>Allocation of net income for the period</b>											
Income already paid on redemption of units		494,437	-	199,900	-	-	-	-	-	9,201	-
Accounting income available for distribution:											
Relating to capital gain		-	-	-	-	-	72	-	-	-	
Excluding capital gain		-	238,050	-	-	-	170,978	421,423	55,082	-	
		-	238,050	-	-	-	171,050	421,423	55,082	-	
		494,437	238,050	199,900	-	-	171,050	421,423	64,283	-	
Earnings per unit	16										

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 Mehfooz Munafa Fund

## Statement of Comprehensive Income

For the year ended June 30, 2025

	For the period from July 01, 2024 to December 26, 2025	For the period from July 10, 2024 to June 30, 2025	For the period from September 30, 2024 to December 26, 2025	For the period from October 16, 2024 to January 09, 2025	For the period from December 06, 2024 to March 06, 2025	For the period from April 30, 2025 to June 26, 2025		For the period from January 31, 2024 to June 30 2024	For the period from July 01, 2023 to August 09, 2023	
	Plan-I	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	Rupees in '000'									
Net income for the period after taxation	494,437	238,050	199,900	140,188	98,383	171,050	1,342,009	421,423	64,283	485,706
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	494,437	238,050	199,900	140,188	98,383	171,050	1,342,009	421,423	64,283	485,706

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 Mehfooz Munafa Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

	Plan-I					
	For the period from July 01, 2024 to December 26, 2024			For the period from January 31, 2024 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	5,337,203	24,713	5,361,916	-	-	-
Issuance of Nil Units (2024: 53,372,035 Units)						
Capital value (at net asset value per unit at the beginning of the period)	-	-	-	5,337,203	-	5,337,203
Redemption of 53,372,035 units (2024: Nil Units)						
Capital value (at net asset value per unit at the beginning of the period)	(5,361,916)	-	(5,361,916)	-	-	-
Income already paid on redemption of units	-	(494,437)	(494,437)	-	-	-
Element of loss	-	-	-	-	-	-
	(5,361,916)	(494,437)	(5,856,353)			
Total comprehensive income for the period	-	494,437	494,437	-	421,423	421,423
Interim distribution						
Rs 7.9342 per unit declared on June 21, 2024 as cash dividend						
Refund of capital	-	-	-	-	-	-
Distribution during the period	-	-	-	-	(396,710)	(396,710)
Income pertaining to previous period	24,713	(24,713)	-	-	-	-
	24,713	469,724	494,437	-	24,713	24,713
Net assets at end of the period	-	-	-	5,337,203	24,713	5,361,916
Undistributed income brought forward						
Realised income		24,713			-	
Unrealised income		-			-	
		24,713			-	
Accounting income available for distribution						
Relating to capital (loss) / gain		-			-	
Excluding capital gain		-			421,423	
		-			421,423	
Distributions during the period:						
Interim distribution of Rs 7.9342 per unit declared on June 21, 2024 as cash dividend		-			(396,710)	
		-			(396,710)	
Undistributed income carried forward		24,713			24,713	
Undistributed income carried forward						
Realised income		24,713			24,713	
Unrealised income		-			-	
		24,713			24,713	
			(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 29 form an integral part of these financial statements.

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

Chief Financial Officer

Chief Executive Officer

Director

# HBL Mehfooz Munafa Fund

## Statement of Movement In Unitholders' Fund

For the year ended June 30, 2025

	Plan-II					
	2025			For the period from July 01, 2023 to August 09, 2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
Rupees in '000			Rupees in '000			
Net assets at beginning of the year	-	-	-	2,907,526	6,427	2,913,953
Issuance of Nil units (2024: 1,321,895)						
Capital value	-	-	-	132,482	-	132,482
Element of loss	-	-	-	(292)	-	(292)
<b>Total proceeds on issuance of units</b>	-	-	-	132,190	-	132,190
Redemption of Nil units (2024: 30,396,732)						
Capital value	-	-	-	(3,046,392)	-	(3,046,392)
Income already paid on redemption of units	-	-	-	-	(9,201)	(9,201)
Element of loss	-	-	-	6,676	-	6,676
<b>Total payments on redemption of units</b>	-	-	-	(3,039,716)	(9,201)	(3,048,917)
Total comprehensive income for the year	-	-	-	-	64,283	64,283
<b>Interim distribution</b>						
Rs 2.431 per unit declared on August 09, 2023 as cash dividend						
Distribution during the period	-	-	-	-	(61,509)	(61,509)
	-	-	-	-	2,774	2,774
<b>Net assets at end of the year</b>	-	-	-	-	-	-
<b>Undistributed income brought forward</b>						
Realised income	-	-	-	-	6,427	6,427
Unrealised income	-	-	-	-	-	-
<b>Accounting income available for distribution</b>						
Relating to capital gain	-	-	-	-	-	-
Excluding capital gain	-	-	-	-	55,082	55,082
<b>Distributions during the period:</b>						
Interim distribution of Rs 2.432 per unit declared on August 09, 2023 as cash dividend	-	-	-	-	(61,509)	(61,509)
Undistributed income carried forward	-	-	-	-	-	-
<b>Undistributed income carried forward</b>						
Realised income	-	-	-	-	-	-
Unrealised income	-	-	-	-	-	-
				(Rupees)		(Rupees)
Net assets value per unit at beginning of the year				-		-
Net assets value per unit at end of the year				-		100.2211

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 Mehfooz Munafa Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

Plan-III		
For the period from July 10, 2024 to June 30, 2025		
Capital value	Undistributed income	Total
-----Rupees in '000-----		
Net assets at beginning of the period	-	-
Issuance of 15,834,487.552 units		
Capital value	1,583,498	1,583,498
Element of Income	-	-
<b>Total proceeds on issuance of units</b>	<b>1,583,498</b>	<b>1,583,498</b>
Total comprehensive income for the period	-	238,050
<b>Interim distribution</b>		
Rs 16.75 per unit declared on June 27, 2025 as cash dividend		
Distribution during the period	-	(235,633)
	-	2,417
<b>Net assets at end of the year</b>	<b>1,583,498</b>	<b>1,585,915</b>
<b>Undistributed income brought forward</b>		
Realised income	-	
Unrealised income	-	
<b>Accounting income available for distribution</b>		
Relating to capital gain	-	
Excluding capital gain	238,050	
	238,050	
<b>Distributions during the period:</b>		
Rs 16.75 per unit declared on June 27, 2025 as cash dividend	(235,633)	
Undistributed income carried forward	2,417	
<b>Undistributed income carried forward</b>		
Realised income	2,417	
Unrealised income	-	
	2,417	
		(Rupees)
Net assets value per unit at beginning of the period		-
Net assets value per unit at end of the period		100.1556

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Mehfooz Munafa Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

Plan-V		
For the period from September 30, 2024 to December 26, 2025		
Capital value	Undistributed income	Total
-----Rupees in '000-----		
Net assets at beginning of the period	-	-
Issuance of 55,000,000 units		
Capital value	5,500,000	5,500,000
Element of Income	-	-
<b>Total proceeds on issuance of units</b>	<b>5,500,000</b>	<b>5,500,000</b>
Redemption of 55,000,000 units		
Capital value	(5,500,000)	(5,500,000)
Element of loss	-	(199,900)
<b>Total payments on redemption of units</b>	<b>(5,500,000)</b>	<b>(5,699,900)</b>
Total comprehensive income for the period	-	199,900
<b>Net assets at end of the period</b>	<b>-</b>	<b>-</b>
<b>Undistributed income brought forward</b>		
Realised income	-	
Unrealised income	-	
<b>Accounting income available for distribution</b>		
Relating to capital gain	-	
Excluding capital gain	-	
Income distributed on capital redemption	-	
Undistributed income carried forward	-	
<b>Undistributed income carried forward</b>		
Realised income	-	
Unrealised income	-	
		(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 1to 29 form an integral part of these financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Mehfooz Munafa Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

Plan-VI		
For the period from October 16, 2024 to January 09, 2025		
Capital value	Undistributed income	Total
-----Rupees in '000-----		
Net assets at beginning of the period	-	-
Issuance of 42,700,000 units		
Capital value	4,270,000	4,270,000
Element of Income	-	-
<b>Total proceeds on issuance of units</b>	<b>4,270,000</b>	<b>4,270,000</b>
Redemption of 42,700,000 units		
Capital value	(4,270,000)	(4,270,000)
Element of loss	(140,188)	(140,188)
<b>Total payments on redemption of units</b>	<b>(4,410,188)</b>	<b>(4,410,188)</b>
Total comprehensive income for the period	-	140,188
<b>Net assets at end of the year</b>	<b>(140,188)</b>	<b>140,188</b>
Undistributed income brought forward		
Realised income	-	
Unrealised income	-	
Accounting income available for distribution		
Relating to capital gain	-	
Excluding capital gain	-	
Income distributed on capital redemption	-	
Undistributed income carried forward	-	
<b>Undistributed income carried forward</b>	<b>-</b>	
Realised income	-	
Unrealised income	-	
		(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 1to 29 form an integral part of these financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Mehfooz Munafa Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

Plan-VII		
For the period from December 06, 2024 to March 06, 2025		
Capital value	Undistributed income	Total
-----Rupees in '000-----		
Net assets at beginning of the period	-	-
<b>Issuance of 35,000,000 units</b>		
Capital value	3,500,000	3,500,000
Element of Income	-	-
<b>Total proceeds on issuance of units</b>	3,500,000	3,500,000
<b>Redemption of 35,000,000 units</b>		
Capital value	(3,500,000)	(3,500,000)
Element of loss	(98,383)	(98,383)
<b>Total payments on redemption of units</b>	(3,598,383)	(3,598,383)
Total comprehensive income for the year	-	98,383
<b>Net assets at end of the year</b>	(98,383)	98,383
<b>Undistributed income brought forward</b>		
Realised income	-	-
Unrealised income	-	-
<b>Accounting income available for distribution</b>		
Relating to capital gain	-	-
Excluding capital gain	-	-
Income distributed on capital redemption	-	-
Undistributed income carried forward	-	-
<b>Undistributed income carried forward</b>		
Realised income	-	-
Unrealised income	-	-
		(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 29 form an integral part of these financial statements.

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Chief Executive Officer**

\_\_\_\_\_  
**Director**

**HBL Mehfooz Munafa Fund**  
**Statement of Movement In Unitholders' Fund**  
For the year ended June 30, 2025

Plan-VIII		
For the period from April 30, 2025 to June 26, 2025		
Capital value	Undistributed income	Total
-----Rupees in '000-----		
Net assets at beginning of the period	-	-
<b>Issuance of 97,423,669 units</b>		
Capital value	9,742,367	9,742,367
Element of Income	-	-
<b>Total proceeds on issuance of units</b>	9,742,367	9,742,367
<b>Redemption of 97,423,669 units</b>		
Capital value	(9,742,367)	(9,742,367)
Element of loss	(171,050)	(171,050)
<b>Total payments on redemption of units</b>	(9,913,417)	(9,913,417)
Total comprehensive income for the year	-	171,050
<b>Net assets at end of the year</b>	(171,050)	171,050
<b>Undistributed income brought forward</b>		
Realised income	-	
Unrealised income	-	
<b>Accounting income available for distribution</b>		
Relating to capital gain	-	
Excluding capital gain	-	
Income distributed on capital redemption	-	
Undistributed income carried forward	-	
<b>Undistributed income carried forward</b>		
Realised income	-	
Unrealised income	-	
		(Rupees)
<b>Net assets value per unit at beginning of the period</b>		-
<b>Net assets value per unit at end of the period</b>		-

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 Mehfooz Munafa Fund

## Cash Flow Statement

For the year ended June 30, 2025

	For the period from July 01, 2024 to December 26, 2024	For the period from July 01, 2024 to June 30, 2025	For the period from July 10, 2024 to June 30, 2025	For the period from September 30, 2024 to December 26, 2025	For the period from October 16, 2024 to January 09, 2025	For the period from December 06, 2024 to March 06, 2025	For the period from April 30, 2025 to June 26, 2025		For the period from January 31, 2024 to June 30 2024	For the period from July 01, 2023 to August 09, 2023	
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
Note	Rupees in '000										
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
Net income for the period before taxation	494,437	-	238,050	199,900	140,188	98,383	171,050	1,342,008	421,423	64,283	485,706
Adjustments for:											
Capital gain on sale of investments - net	-	-	-	-	-	-	(72)	(72)	-	-	-
Markup on:											
Income from Government securities	(501,167)	-	(248,798)	(202,535)	(143,981)	(104,038)	(172,224)	(1,372,743)	(429,490)	(68,675)	(498,165)
Profit / mark-up on bank deposits	(2,540)	-	(1,076)	(392)	(1,927)	(1,164)	(2,058)	(9,157)	(894)	(398)	(1,292)
Amortisation of preliminary expenses and flotation costs	-	-	-	-	-	-	-	-	107	96	203
	(9,270)	-	(11,824)	(3,027)	(5,720)	(6,819)	(3,304)	(39,964)	(8,854)	(4,684)	(13,548)
<b>(Increase) / decrease in assets</b>											
Investments - net	5,408,713	-	(1,394,174)	-	-	-	72	4,014,611	(5,408,713)	2,925,325	(2,483,388)
<b>Increase / (decrease) in liabilities</b>											
Payable to the Management Company	(2,323)	-	1,784	-	324	278	448	511	2,323	(3,953.00)	(1,630)
Payable to the Trustee	(552)	-	198	-	60	32	368	106	552	(298.00)	254
Payable to Securities and Exchange Commission of Pakistan	(666)	-	100	187	-	-	502	123	666	(70.00)	596
Accrued expenses and other liabilities	(59,448)	-	60,092	791	721	747	110,927	113,830	60,090	(13,291.00)	46,799
	(62,989)	-	62,174	978	1,105	1,057	112,245	114,569	63,631	(17,612)	46,019
Cash generated from / (used in) operation	5,336,454	-	(1,343,824)	(2,049)	(4,615)	(5,762)	109,012	4,089,216	(5,353,936)	2,903,019	(2,450,917)
Income received from Government securities	501,167	-	-	202,535	143,981	104,038	172,224	1,123,945	429,490	68,675	498,165
Income received from profit / mark-up on bank deposits	3,434	-	770	392	1,927	1,164	2,058	9,745	-	537	537
Net cash flows generated from (used in) / operating activities	5,841,055	-	(1,343,054)	200,878	141,293	99,440	283,294	5,222,905	(4,924,446)	2,972,231	(1,952,215)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
Receipts from issue of units	-	-	1,583,498	5,500,000	4,270,000	3,500,000	9,742,367	24,595,865	5,337,203	132,190	5,469,393
Payment against redemption of units	(5,856,353)	-	-	(5,699,900)	(4,410,188)	(3,598,383)	(9,913,417)	(29,478,241)	-	(3,048,917)	(3,048,917)
Dividend paid	-	-	(235,633)	-	-	-	-	(235,633)	(396,710)	(61,509)	(458,219)
Net cash (used in) / generated from financing activities	(5,856,353)	-	1,347,865	(199,900)	(140,188)	(98,383)	(171,050)	(5,118,009)	4,940,493	(2,978,236)	1,962,257
Net increase/ (decrease) in cash and cash equivalents	(15,298)	-	4,811	978	1,105	1,057	112,244	104,897	16,047	(6,005)	10,042
Cash and cash equivalents at beginning of the period	16,047	511	-	-	-	-	-	16,558	-	6,513	6,513
Cash and cash equivalents at end of the period	749	511	4,811	978	1,105	1,057	112,244	121,455	16,047	511	16,555

The annexed notes from 1to 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 Mehfooz Munafa 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 Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBL-MEMF/298/2022 dated April 05, 2022 and the Trust Deed was executed on May 24, 2022.
- 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 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.
- 1.3** The Fund is an Open-End Fixed Rate/Return Scheme. The Management Company has 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. Currently, HBL Mehfooz Munafa Fund Plan-III is active. HBL Mehfooz Munafa Fund Plan-I, V, VI VII and Plan-VIII matured during the year on December 26, 2024, December 26, 2024, 09 January 2025, March 06, 2025 and June 26, 2025.
- 1.4** 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).
- 1.5** 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.
- 1.6** VIS Credit rating Company has assigned a management quality rating of AM1 (stable outlook) to the Management Company on December 31, 2024.
- 1.7** Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These 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 'NBFC Regulations') and 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 17 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.

	<b>Effective date (annual periods beginning on or after)</b>
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.

Amendments to IFRS 7 'Financial Instruments: Disclosures' -  
Amendments regarding the classification and measurement of 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

**Effective date  
(annual periods  
beginning on or  
after)**

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 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:

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in income statement.
<b>Financial assets at amortised cost</b>	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.

	Note	2025								2024			
		Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total	
<b>5 BALANCES WITH BANKS</b>		Rupees in '000'											
Local Currency													
in savings accounts	5.1	749	511	4,811	978	1,105	1,057	112,244	121,455	16,047	511	16,558	

5.1 These carry mark-up at rates ranging between 8.0% to 11.5% (2024: 9.0% to 19.50%) per annum of HBL Mehfooz Munafa Fund Plan-I to Plan-VIII. This represent balance of Rs. 121.435 million held with Habib Bank Limited (a related party).

## 6 INVESTMENTS

Note	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	-----Rupees in '000'-----								-----Rupees in '000'-----		
Financial assets											
At amortised cost	6.1	-	-	1,642,972	-	-	-	1,642,972	5,408,713	-	5,408,713
		-	-	1,642,972	-	-	-	1,642,972	5,408,713	-	5,408,713

### 6.1 Financial assets at amorised cost

Government securities											
Market Treasury Bills	6.1.1	-	-	1,642,972	-	-	-	1,642,972	5,408,713	-	5,408,713
		-	-	1,642,972	-	-	-	1,642,972	5,408,713	-	5,408,713

### 6.1.1 Financial assets at amortised cost - Market Treasury Bills

Plan	Issue date	Tenure	Maturity Date	As at July 01, 2024	Placement made during the period	Income accrued	Sales / matured during the period	As at June 30, 2025	Percentage of net assets	Percentage of total of investments
----- Rupees in '000 -----										
Plan-I	December 28, 2023	1 Year	26-Dec-2024	5,408,713	-	506,287	(5,915,000)	-		100.00%
Plan-III	July 11, 2024	1 Year	10-Jul-2025	-	1,394,174	248,798	-	1,642,972	103.60%	100.00%
Plan-V	June 27, 2024	6 Months	26-Dec-2024	-	5,474,995	202,535	(5,677,530)	-		100.00%
Plan-VI	July 11, 2024	6 Months	9-Jan-2025	-	4,256,019	143,981	(4,400,000)	-		100.00%
Plan-VII	March 7, 2024	1 Year	6-Mar-2025	-	3,497,293	105,207	(3,602,500)	-		100.00%
Plan-VIII	April 3, 2025	3 Months	26-Jun-2025	-	9,716,500	173,500	(9,890,000)	-		100.00%
<b>Total - as at June 30, 2025</b>				5,408,713	24,338,981	1,380,308	(29,485,030)	1,642,972	103.60%	100.00%
<b>Total - as at June 30, 2024</b>				2,925,325	-	498,165	2,994,000	5,408,713	100.87%	100.00%

6.1.1.1 As at June 30, 2025, Market Treasury Bills having a face value of Rs. 1,650 million, carry effective yield of 18.40% per annum.

## 7 PROFIT / MARK-UP RECEIVABLE

Note	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	-----Rupees in '000'-----								-----Rupees in '000'-----		
Bank deposits	7.1	-	-	306	-	-	-	306	894	-	894
		-	-	306	-	-	-	306	894	-	894

7.1 This includes Rs. 0.306 million (2024: 0.894 million) receivable from Habib Bank Limited, a related party.

## 8 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY

		2025							2024			
		Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
-----Rupees in '000'-----												
Remuneration payable to the Management Company	8.1	-	-	1,458	-	282	241	390	2,371	1,332	-	1,332
Sindh Sales Tax on Management Company's remuneration	8.2	-	-	219	-	42	36	58	355	173	-	173
Allocation of expenses related to registrar services, accounting, operation and valuation services	8.3	-	-	-	-	-	-	-	-	-	-	-
Selling and marketing expense payable	8.4	-	-	-	-	-	-	-	-	711	-	711
Formation cost payable		-	204	107	-	-	-	-	311	107	204	311
		-	204	1,784	-	324	277	448	3,037	2,323	204	2,527

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 1.5% per annum of average annual net assets. During the period, the fee is being charged at the rate 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.

8.3 As per Regulation 60(3)(s) of NBFC Regulations, fees and expenses related to registrar services, accounting, operation and valuation services related to Collective Investment Scheme (CIS) are chargeable to the CIS. During the previous year, the fee was charged at the rate of 0.040% of the average annual net assets in Plan-I and 0.092% in Plan-II. The management company based on its own discretion has not charge such expense during the year.

8.4 As per Regulation 60(3)(v) of NBFC Regulations, selling and marketing expense may be charged for all categories of funds except fund of funds with no cap. During the previous year, the fee is being charged at the rate ranging between 0.040% and 0.080% of the average annual net assets in Plan-I and 0.304% in Plan-II. The management company based on its own discretion has not charge such expense during the year.

**9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY - TRUSTEE**

Note	2025								2024			
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total	
	-----Rupees in '000'-----								-----Rupees in '000'-----			
Trustee fee payable	9.1	-	-	172	-	52	28	320	573	489	-	489
Sindh Sales Tax on remuneration of the Trustee	9.3	-	-	26	-	8	4	48	86	63	-	63
		-	-	198	-	60	32	368	659	552	-	552

**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 0.055% p.a. of net assets.

**9.3** The Sindh Sales Tax charge at the rate of 15% (2024: 13%) as per the Sindh Sales Tax on Services Act, 2011.

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

Note	2025								2024			
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total	
	-----Rupees in '000'-----								-----Rupees in '000'-----			
Fee payable	10.1	-	-	100	187	-	-	502	789	666	-	666

**10.1** As per Regulation 62 of NBFC Regulations, an Asset Management Company managing a CIS shall pay SECP an annual fee of 0.0750% of the average annual nets assets. The fee is payable monthly in arrears.

**11 ACCRUED EXPENSES AND OTHER LIABILITIES**

	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	-----Rupees in '000'-----								-----Rupees in '000'-----		
Withholding tax payable-dividend	-	-	58,909	-	-	-	-	58,909	59,507	-	59,507
Withholding tax payable-others	-	-	-	-	-	-	-	-	189	-	189
Provision for federal excise duty	-	-	519	122	58	47	193	939	-	-	-
Capital gain tax payable	-	-	-	-	-	-	33,775	33,775	-	-	-
Legal fee	-	-	-	150	150	148	50	498	-	-	-
Auditors' remuneration	404	236	300	300	300	349	150	2,039	343	236	579
Printing charges	306	71	191	200	183	183	-	1,134	140	71	211
Payable against conversion of units	-	-	-	-	-	-	76,759	76,759	-	-	-
Others	39	-	173	19	30	21	-	282	18	-	18
	749	307	60,092	791	721	748	110,927	174,335	60,197	307	60,504

**12 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at June 30, 2025.(2024:Nil)

**13 NUMBER OF UNITS IN ISSUE**

	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
Total units in issue at the beginning of the year	53,372,035	-	-	-	-	-	-	53,372,035	-	29,075,261	29,075,261
Add: Units issued	-	-	15,834,488	55,000,000	42,700,000	35,000,000	97,423,669	245,958,157	53,372,035	1,321,471	54,693,506
Less: Units redeemed	(53,372,035)	-	-	(55,000,000)	(42,700,000)	(35,000,000)	(97,423,669)	(283,495,704)	-	(30,396,732)	(30,396,732)
Total units in issue at the end of the year	-	-	15,834,488	-	-	-	-	15,834,488	53,372,035	-	53,372,035

**14 AUDITORS' REMUNERATION**

	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	-----Rupees in '000'-----								-----Rupees in '000'-----		
Annual audit fee	354	-	240	240	240	280	240	1,594	288	209	497
Other certifications and out of pocket expenses	53	-	60	60	60	70	60	363	55	40	95
	407	-	300	300	300	350	300	1,957	343	249	592



**15 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.

**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 -----			
<b>Plan-I</b>			
<b>Financial assets</b>			
Bank balances	-	749	749
Investments			
Market Treasury Bills	-	-	-
Profit / mark-up receivable	-	-	-
	-	749	749
<b>Plan-II</b>			
<b>Financial assets</b>			
Bank balances	-	511	511
Investments			
Market Treasury Bills	-	-	-
Profit / mark-up receivable	-	-	-
	-	511	511
<b>Plan-III</b>			
<b>Financial assets</b>			
Bank balances	-	4,811	4,811
Investments			
Market Treasury Bills	-	1,642,972	1,642,972
Profit / mark-up receivable	-	306	306
	-	1,648,089	1,648,089
<b>Plan-V</b>			
<b>Financial assets</b>			
Bank balances	-	978	978
Investments			
Market Treasury Bills	-	-	-
Profit / mark-up receivable	-	-	-
	-	978	978
<b>Plan-VI</b>			
<b>Financial assets</b>			
Bank balances	-	1,105	1,105
Investments			
Market Treasury Bills	-	-	-
Profit / mark-up receivable	-	-	-
	-	1,105	1,105
<b>Plan-VII</b>			
<b>Financial assets</b>			
Bank balances	-	1,057	1,057
Investments			
Market Treasury Bills	-	-	-
Profit / mark-up receivable	-	-	-
	-	1,057	1,057

Particulars	As at June 30, 2025		
	Fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
<b>Plan-VIII</b>			
<b>Financial assets</b>			
Bank balances	-	112,244	112,244
Investments			
Market Treasury Bills	-	-	-
Profit / mark-up receivable	-	-	-
	-	112,244	112,244
<b>Plan-I</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-
Accrued expenses and other liabilities	-	749	749
	-	749	749
<b>Plan-II</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	204	204
Payable to the Central Depository Company - Trustee	-	-	-
Accrued expenses and other liabilities	-	307	307
	-	511	511
<b>Plan-III</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	1,566	1,566
Payable to the Central Depository Company - Trustee	-	172	172
Accrued expenses and other liabilities	-	664	664
	-	2,402	2,402
<b>Plan-V</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-
Accrued expenses and other liabilities	-	669	669
	-	669	669
<b>Plan-VI</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	282	282
Payable to the Central Depository Company - Trustee	-	52	52
Accrued expenses and other liabilities	-	663	663
	-	997	997
<b>Plan-VII</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	241	241
Payable to the Central Depository Company - Trustee	-	28	28
Accrued expenses and other liabilities	-	700	700
	-	969	969
<b>Plan-VIII</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	390	390
Payable to the Central Depository Company - Trustee	-	320	320
Accrued expenses and other liabilities	-	76,959	76,959
	-	77,669	77,669

Particulars	As at June 30, 2024		
	Fair value through profit or loss	Amortised cost	Total
----- Rupees in '000 -----			
<b>Plan-I</b>			
<b>Financial assets</b>			
Bank balances	-	16,047	16,047
Investments			
Market Treasury Bills	-	5,408,713	5,408,713
Profit / mark-up receivable	-	894	894
	-	5,425,654	5,425,654
<b>Plan-II</b>			
<b>Financial assets</b>			
Bank balances		511	511
Investments			
Market Treasury Bills		-	-
Profit / mark-up receivable		-	-
	-	511	511
<b>Plan-I</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	2,150	2,150
Payable to the Central Depository Company - Trustee	-	552	552
Accrued expenses and other liabilities	-	501	501
	-	3,203	3,203
<b>Plan-II</b>			
<b>Financial liabilities</b>			
Payable to the HBL Asset Management Limited - Management Company	-	204	204
Payable to the Central Depository Company - Trustee	-	-	-
Accrued expenses and other liabilities	-	307	307
	-	511	511

## 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:

## 18.1 Transactions during the period

	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	Rupees in '000'										
<b>HBL Asset Management Limited - Management Company</b>											
Remuneration of Management Company	4,256	-	7,776	267	3,033	4,114	905	20,351	3,565	2,349	5,914
Sindh Sales Tax on remuneration of the Management company	638	-	1,166	40	455	617	136	3,052	463	305	769
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-	-	-	333	339	672
Selling and marketing expense	-	-	-	-	-	-	-	-	1,044	982	2,026
Formation cost payable	-	-	-	-	-	-	-	-	107	96	203
<b>Central Depository Company of Pakistan Limited - Trustee</b>											
Remuneration	1,561	-	-	-	-	-	-	1,561	1,182	107	1,289
Sindh Sales Tax on remuneration of the Trustee	234	-	-	-	-	-	-	234	154	14	168
<b>Habib Bank Limited - Sponsor</b>											
Bank charges paid	21	-	23	17	-	10	-	71	18	22	40
Profit / mark-up on deposits accounts	2,540	-	1,076	392	1,927	1,163	2,058	9,156	894	398	1,292
<b>Kot Addu Power Company Ltd - Connected due to holding of 10% or more</b>											
Redemption of 53,372,035 units	5,856,353	-	-	-	-	-	-	5,856,353	-	-	-
<b>Pakistan Mortgage Refinance Company Ltd - Connected due to holding of 10% or more</b>											
Issuance of 15,834,488 units	-	-	1,583,498	-	-	-	-	1,583,498	-	-	-
<b>Multan Electric Power Company Ltd - Connected due to holding of 10% or more</b>											
Issuance of 55,000,000 units	-	-	-	5,500,000	-	-	-	5,500,000	-	-	-
Redemption of 55,000,000 units	-	-	-	5,699,900	-	-	-	5,699,900	-	-	-
Issuance of 42,700,000 units	-	-	-	-	4,270,000	-	-	4,270,000	-	-	-
Redemption of 42,700,000 units	-	-	-	-	4,410,188	-	-	4,410,188	-	-	-
Issuance of 35,000,000 units	-	-	-	-	-	3,500,000	-	3,500,000	-	-	-
Redemption of 35,000,000 units	-	-	-	-	-	3,598,383	-	3,598,383	-	-	-
<b>Sapphire Electric Company - Connected Person to holding of 10% or more</b>											
Issuance of 10,000,000 units	-	-	-	-	-	-	1,000,000	1,000,000	-	-	-
Redemption of 10,000,000 units	-	-	-	-	-	-	1,017,644	1,017,644	-	-	-

## 18.2 Balance outstanding as at the period end

	2025								2024		
	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total	Plan-I	Plan-II	Total
	Rupees in '000'										
<b>HBL Asset Management Limited - Management Company</b>											
Remuneration payable to the Management Company	-	-	1,458	-	282	241	390	2,371	1,332	-	1,332
Sindh Sales Tax payable on Management Company's remuneration	-	-	219	-	42	36	58	355	173	-	173
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-	-	-	-	-	-
Selling and marketing expense payable	-	-	-	-	-	-	-	-	711	-	711
Formation cost payable	-	204	107	-	-	-	-	311	107	204	311
<b>Central Depository Company of Pakistan Limited - Trustee</b>											
Trustee fee payable	-	-	172	-	52	28	320	572	489	-	489
Sindh Sales Tax payable on Trustee Remuneration	-	-	26	-	8	4	48	86	63	-	63
<b>Habib Bank Limited - Sponsor</b>											
Balances with banks	749	511	4,811	978	1,105	1,057	112,244	121,455	16,047	511	16,558
Profit / mark-up receivable	-	-	306	-	-	-	-	306	894	-	894
Bank charges payable	-	-	-	13	30	20	-	63	-	-	-
<b>Pakistan Mortgage Refinance Company Ltd - Connected due to holding of 10% or more</b>											
Units held 15,834,488 (2024: Nil Units)	-	-	1,585,915	-	-	-	-	1,585,915	-	-	-
<b>Kot Addu Power Company Ltd - Connected due to holding of 10% or more</b>											
Units held Nil (2024: 29,075,251 units)	-	-	-	-	-	-	-	-	5,361,916	-	5,361,916

## 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 as all transactions are carried out in Pakistani Rupees.

### 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 7% to 10% 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. 0.004811 million.

#### b) Fair value interest rate risk

The Fund's investment portfolio currently includes Treasury bills (T bills), which have fixed interest rates. This characteristic of T bills 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					
	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				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	7 - 10	4,811	-	-	-	4,811
Investments						
Market Treasury Bills	18.4	-	-	-	1,642,972	1,642,972
Profit / mark-up receivable		-	-	-	306	306
<b>Sub total</b>		<b>4,811</b>	<b>-</b>	<b>-</b>	<b>1,643,278</b>	<b>1,648,089</b>
<b>Financial liabilities</b>						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	1,566	1,566
Payable to the Central Depository Company - Trustee		-	-	-	172	172
Accrued expenses and other liabilities		-	-	-	664	664
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>2,402</b>	<b>2,402</b>
<b>On-balance sheet gap (a)</b>		<b>4,811</b>	<b>-</b>	<b>-</b>	<b>1,640,876</b>	<b>1,645,687</b>
<b>Off-balance sheet financial instruments</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Off-balance sheet gap (b)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total interest rate sensitivity gap (a) + (b)</b>		<b>4,811</b>	<b>-</b>	<b>-</b>	<b>1,640,876</b>	<b>1,645,687</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>4,811</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at June 30, 2024					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				
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Bank balances	16.58 - 19.51	16,047	-	-	-	16,047
Investments						
Market Treasury Bills	21.99	-	-	-	5,408,713	5,408,713
Profit / mark-up receivable		-	-	-	894	894
<b>Sub total</b>		16,047	-	-	5,409,607	5,425,654
<b>Financial liabilities</b>						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	2,150	2,150
Payable to the Central Depository Company - Trustee		-	-	-	552	552
Accrued expenses and other liabilities		-	-	-	501	501
<b>Sub total</b>		-	-	-	3,203	3,203
<b>On-balance sheet gap (a)</b>		16,047	-	-	5,406,404	5,422,451
<b>Off-balance sheet financial instruments</b>						
<b>Off-balance sheet gap (b)</b>		-	-	-	-	-
<b>Total interest rate sensitivity gap (a) + (b)</b>		16,047	-	-	5,406,404	5,422,451
<b>Cumulative interest rate sensitivity gap</b>		16,047	-	-	-	-

### 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.

2025			
Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
<b>Plan-I</b>			
Habib Bank Limited	749	A-1+	VIS
<b>Plan-II</b>			
Bank Al Habib Limited	21	A-1+	PACRA
Habib Bank Limited	489	A-1+	VIS
<b>Plan-III</b>			
Habib Bank Limited	4,811	A-1+	VIS
<b>Plan-V</b>			
Habib Bank Limited	978	A-1+	VIS

<b>2025</b>			
<b>Name of Banks</b>	<b>Balances held as at June 30, 2025</b>	<b>Latest available published rating as at June 30, 2025</b>	<b>Rating agency</b>
<b>Plan-VI</b>			
Habib Bank Limited	1,105	A-1+	VIS
<b>Plan-VII</b>			
Habib Bank Limited	1,057	A-1+	VIS
<b>Plan -VIII</b>			
Habib Bank Limited	112,244	A-1+	VIS
<b>2024</b>			
<b>Name of Banks</b>	<b>Balances held as at June 30, 2024</b>	<b>Latest available published rating as at June 30, 2024</b>	<b>Rating agency</b>
<b>Plan-I</b>			
Habib Bank Limited	16,047	A-1+	VIS
<b>Plan-II</b>			
Bank Al Habib Limited	21	A-1+	PACRA
Habib Bank Limited	489	A-1+	VIS

**19.2.2** The analysis below summarizes the credit quality of the Fund's credit exposure:

<b>Rating by rating category</b>	<b>2025</b>
	<b>-- (Percentage) --</b>
A-1+	100%
<b>Concentration of credit risk</b>	

**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.

**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 year, 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 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	2025			
	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
	----- Rupees in '000 -----			
<b>Plan - I</b>				
<b>Financial liabilities</b>				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	749	-	-	749
	<u>749</u>	<u>-</u>	<u>-</u>	<u>749</u>
<b>Plan - II</b>				
<b>Financial liabilities</b>				
Payable to the HBL Asset Management Limited - Management Company	204	-	-	204
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	307	-	-	307
	<u>511</u>	<u>-</u>	<u>-</u>	<u>511</u>
<b>Plan - III</b>				
<b>Financial liabilities</b>				
Payable to the HBL Asset Management Limited - Management Company	1,566	-	-	1,566
Payable to the Central Depository Company - Trustee	172	-	-	172
Accrued expenses and other liabilities	664	-	-	664
	<u>2,402</u>	<u>-</u>	<u>-</u>	<u>2,402</u>
<b>Plan - V</b>				
<b>Financial liabilities</b>				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	669	-	-	669
	<u>669</u>	<u>-</u>	<u>-</u>	<u>669</u>



2025

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

**Plan - VI**

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company	282	-	-	282
Payable to the Central Depository Company - Trusteeable to the Trustee	52	-	-	52
Accrued expenses and other liabilities	663	-	-	663
	<u>997</u>	<u>-</u>	<u>-</u>	<u>997</u>

**Plan - VII**

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company	241	-	-	241
Payable to the Central Depository Company - Trusteeable to the Trustee	28	-	-	28
Accrued expenses and other liabilities	700	-	-	700
	<u>969</u>	<u>-</u>	<u>-</u>	<u>969</u>

**Plan - VIII**

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company	390	-	-	390
Payable to the Central Depository Company - Trusteeable to the Trustee	320	-	-	320
Accrued expenses and other liabilities	76,959	-	-	76,959
	<u>77,669</u>	<u>-</u>	<u>-</u>	<u>77,669</u>

2024

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

**Plan - I**

**Financial liabilities**

Payable to the HBL Asset Management Limited - Management Company	2,150	-	-	2,150
Payable to the Central Depository Company - Trusteeable to the Trustee	552	-	-	552
Accrued expenses and other liabilities	501	-	-	501
	<u>3,203</u>	<u>-</u>	<u>-</u>	<u>3,203</u>

## **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 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.

## **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** The carrying amount of assets and liabilities are appearing to its fair value.



**Plan-VII**

The Fund has redeemed all of its units held on March 06, 2025 after which there has been no unit holder left in the fund.

**Plan-VIII**

The Fund has redeemed all of its units held on June 26, 2025 after which there has been no unit holder left in the fund.

Category	----- As at June 30, 2024 -----			
	No. of unit holders	Number of units held	Investment amount	Percentage
Rupees in '000				

**Plan-I**

Other Corporate	1	53,372,035	5,361,915	100.00%
	1	53,372,035	5,361,915	100.00%

**Plan-II**

The Fund has redeemed all of its units held on August 09, 2023 after which there has been no unit holder left in the fund.

**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 year ended June 30, 2025 is 0.34%, 0.79%, 0.60%, 0.60%, 0.80%, and 0.21% (2024: 0.42% & 1.77%) which includes 0.05%, 0.16%, 0.02%, 0.13%, 0.12% and 0.09% (2024: 0.1% & 0.24%) representing Government levy and SECP fee of HBL Mehfooz Munafa Fund Plan-I, III, V, VI, VII and Plan-VIII.

**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 year.

**28 GENERAL**

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

**28.2** The HBL Mehfooz Munafa Fund Plan-III, V, VI, VII and VIII have been launched in current year. Therefore, no comparative figures have been presented for these plans.

**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)**

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**Chief Financial Officer**

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**Chief Executive Officer**

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**Director**



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# HBL

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