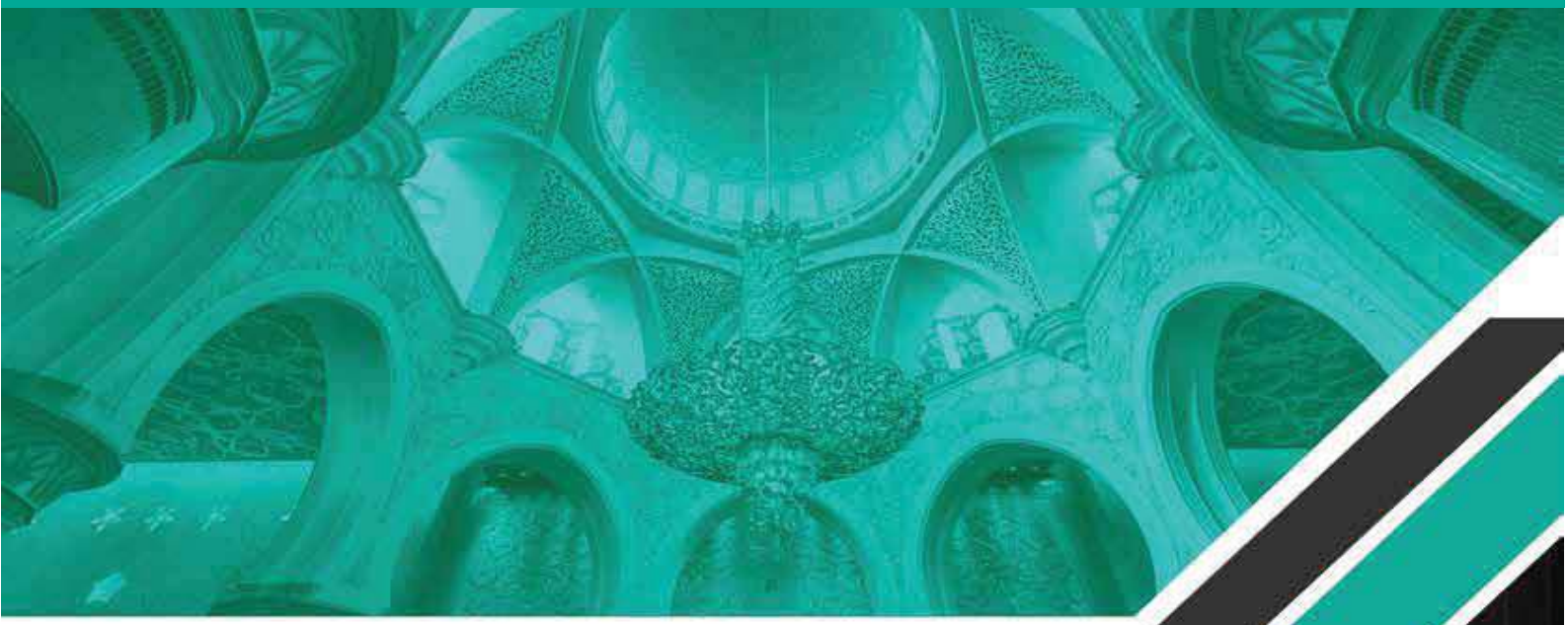
HBL ASSET MANAGEMENT LTD.
ایسیٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS



ANNUAL REPORT 2026

For the Year ended June 30, 2026



MOVING TOWARDS EXCELLENCE

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OUR VISION

Enabling people to advance with confidence and success.

OUR MISSION

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


PROGRESSIVENESS
We believe in the advancement of society through the adoption of enlightened working practice, innovative new products and processes and a spirit of enterprise.
MERITOCRACY
We believe in giving opportunities and advantages to our employees on the basis of their ability. We believe in rewarding achievement and in providing first class career opportunities for all.
EXCELLENCE
The markets in which we operate are becoming increasingly competitive and our investors now have an abundance of choice. Only through being the very best - in terms of the service we offer, our product and premises - can we hope to be successful and grow.
OUR CORPORATE VALUES
Our values are based upon the fundamental principles that define our culture and are brought to life in our attitude and behavior. It is our values that make us unique and stem from five basic principles.
CUSTOMER FOCUS
We need to understand fully the need of our investors and to adopt our product and services to meet these. We must strive always to put the satisfaction of our investor first.
INTEGRITY
We are an Asset Management Company in Pakistan and our success depends upon the performance of the Fund(s) which are under management and our investors and society in general expect us to possess and steadfastly adhere to high moral principles and professional standards.

CORPORATE INFORMATION

Corporate Information

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of August 27, 2026)

Chairman	Mr. Shahid Ghaffar	(Non-Executive Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Mr. Khalid Malik	(Independent Director)
	Ms. Sheeza Ahmed	(Independent Director)
	Dr. Sahar Awan	(Independent Director)
	Mr. Irfan Ahmed Meer	(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	Mr. Irfan Ahmed Meer	(Non-Executive Director)
	Ms. Sheeza Ahmed	(Independent Director)
Human Resource & Remuneration Committee		
Chairman	Mr. Shahid Ghaffar	(Non-Executive Director)
Members	Ms. Sheeza Ahmed	(Independent Director)
	Mr. Irfan Ahmed Meer	(Non-Executive Director)
Risk Management Committee		
Chairman	Dr. Sahar Awan	(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	Dr. Sahar Awan	(Independent Director)
Company Secretary & Chief Financial Officer	Mr. Noman Qurban	
AMC Rating	AM1 (Stable Outlook)	
Legal Advisor	Bawany & Partners, Lane 13, D.H.A Phase 6, Bukhari Commercial Area, Defense Housing Authority, Karachi.	
Website	www.hblasset.com	

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of HBL Islamic Money Market Fund, HBL Islamic Income Fund, HBL Islamic Stock Fund, HBL Islamic Equity Fund, HBL Islamic Asset Allocation Fund, HBL Islamic Savings Fund, HBL Islamic Fixed Term Fund and HBL Islamic Regular Income Fund (the Funds) for the year ended June 30, 2026.

ECONOMIC REVIEW

During FY2026, Pakistan's macroeconomic stability strengthened despite elevated geopolitical tensions, particularly the conflict in the Middle East and concerns over the Strait of Hormuz. These developments pushed global oil prices higher in the earlier part of the year, raising imported inflation and domestic fuel cost pressures. As the year progressed, geopolitical risks began to ease following the US-Iran ceasefire and ongoing peace efforts. This shift improved global market sentiment, led to a decline in international crude oil prices, and helped moderate cost-push inflationary pressures in Pakistan.

Real GDP growth reached 3.7% the highest in four years expanding the size of the economy to USD 452.1 billion. Growth remained broad-based across agriculture, industry and services, even after early-year flood-related disruptions and the temporary impact of higher global energy prices.

On the external front, the current account recorded a deficit of USD 139 million for the full FY2026, compared with a surplus of USD 1,838 million in FY2025. In June 2026, the current account posted a deficit of USD 649 million. This outcome was driven by an 8.5% rise in full-year imports to USD 76.4 billion, while exports remained nearly flat at USD 40.9 billion. Remittances continued to provide critical support, rising 8.6% to USD 41.6 billion. Foreign exchange reserves and the exchange rate remained broadly stable.

Headline inflation firmed during the year. National CPI rose 11.1% year-on-year in June 2026 (easing from 11.7 percent in May), marking the third consecutive double-digit reading, though it declined on a sequential basis due to lower oil prices. Urban and rural inflation stood at 11.2% and 10.9%, respectively. Price pressures were led by Transport (+25.7%), Housing & Utilities (+15.5 %), and Food & Beverages (+9.4%). Average CPI for FY2026 rose to 7.1%, compared with 4.5% in the previous year. Core inflation (NFNE) remained sticky at 8.7% (urban) and 7.9% (rural). Fuel prices were up 32.1% year-on-year but eased 12.1% month-on-month as global crude softened. Looking ahead, CPI is expected to remain in single digits, supported by relatively stable macroeconomic conditions, although any renewed escalation in geopolitical tensions and international oil prices remains an upside risk to inflation.

Large-Scale Manufacturing grew 5.8% during Jul-May FY2026, reversing the previous year's contraction, with broad-based gains led by automobiles, food, wearing apparel and petroleum products. Fiscal performance also improved, with the deficit narrowing to 1.6% of GDP and a primary surplus of 3.3% of GDP during Jul-May, supported by higher revenues and a sharp reduction in mark-up payments. The Monetary Policy Committee kept the policy rate unchanged at 11.5% in June 2026.

Overall, FY2026 closed with strengthened macroeconomic stability. Despite the earlier geopolitical shock from Middle East tensions, elevated oil prices, a modest full-year current account deficit of USD 139 million, and a rise in average inflation to 7.1%, strong remittances, recovering industrial activity, improved fiscal discipline, and the later easing of global energy prices allowed Pakistan to preserve its stabilization gains and enter FY2027 on a more solid footing.

STOCK MARKET REVIEW

Improved liquidity, monetary easing, and a stable external account. The benchmark KMI30 Index posted an impressive gain of 72,440 (39.20%) points, closing at 257,327 points. It is also noteworthy that the KSE-100 delivered strong performance, reflecting improved investor sentiment and reaffirming equities as a preferred investment avenue amid improving macroeconomic conditions.

Positive sentiment and improved investor confidence were reflected in a significant improvement in market turnover, as the average daily trading volume of the KMI All-Share Index rose to 463 million shares during the period under review, representing a 26% increase compared to 369 million shares in the same period last year. Similarly, the average daily traded value surged by 34% to PKR 28.5 billion, up from PKR 21.13 billion in the corresponding period last year. Foreign investors however, remained net sellers, with a net sale of USD 849 million. Domestically, companies were the main buyers in the market with net buying of USD 2,014 million, followed by Individuals and NBFC with a net buying of USD329 million, and USD 4 million respectively. On the other hand, Banks, Mutual funds, and Insurance were major sellers with a combined sale of USD 1,449 million.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, and adequate market liquidity. Market direction will, however, remain sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up in the region could drive up international oil prices, pressuring the import bill, reigniting inflationary pressures, and weighing on the external account and overall market sentiment. Barring a significant escalation, and combined with a sustained recovery in corporate earnings, easing inflation, and the prospect of a stable-to-accommodative monetary stance, these factors are likely to sustain market optimism and support continued valuation stability over the medium term.

MONEY MARKET REVIEW

During the period under review, the State Bank of Pakistan maintained the policy rate at 11.0%. The first change came on 15th December 2025, when the SBP cut the rate by 50 bps to 10.5%, followed by a second change in April 2026, when it raised the rate by 100 bps to 11.5%, which was maintained through the end of the period.

In the last auction of Ijarah Sukuk held on June 17th 2026, the rental rate for the 5-year fixed instrument settled at 12.09%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

FUND'S PERFORMANCE AND PAYOUTS

HBL Islamic Money Market Fund
The total income and net income of the Fund was Rs. 7.88 billion and Rs. 7.15 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 101.9794 per unit as on June 30, 2026 as compared to Rs. 101.5544 per unit as on June 30, 2025, after incorporation dividend of Rs. 10.15 per unit, thereby giving an annualized return of 10.45%. During the year the benchmark return (90% 3 Month PKISRV & 10% 3 Month deposit rates) was 9.37%. The size of Fund was Rs. 56.86 billion as on June 30, 2026 as compared to Rs. 81.76 billion at the start of the year.

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

HBL Islamic Income Fund
The total income and net income of the Fund was Rs. 1.88 billion and Rs. 1.71 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 104.8624 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.80 per unit) as compared to Rs. 104.0599 per unit as on June 30, 2025, thereby giving an annualized return of 10.26%. During the same year the benchmark return (75% 6 Month PKISRV & 25% 6 Month Deposit rates) was 9.43%. The size of Fund was Rs. 8.30 billion as on June 30, 2026 as compared to Rs. 17.57 billion at the start of the year.

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

HBL Islamic Stock Fund
The total and net income of the Fund was Rs. 244.36 million and Rs. 180.96 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 264.5845 per unit as on June 30, 2026 as compared to Rs. 207.5929 per unit as on June 30, 2025, thereby giving a return of 27.45% during the year, against the benchmark return (KMI 30 Index) of 39.18%. The size of Fund was Rs. 1.25 billion as on June 30, 2026 as compared to Rs. 0.80 billion at the start of the year.

HBL Islamic Equity Fund
The total and net income of the Fund was Rs. 356.79 million and Rs. 296.84 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 210.5759 per unit as on June 30, 2026 as compared to Rs. 158.8867 per unit as on June 30, 2025, thereby giving a return of 32.53% during the year, against the benchmark return (KMI 30 Index) of 39.18%. The size of Fund was Rs. 1.35 billion as on June 30, 2026 as compared to Rs. 1.14 billion at the start of the year.

HBL Islamic Asset Allocation Fund
The total and net income of the Fund was Rs. 148.97 million and Rs. 124.01 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund increased from Rs. 253.2553 per unit as on June 30, 2025 to Rs. 325.6498 per unit as on June 30, 2026, thereby giving a return of 28.59% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 37.69%. The size of Fund was 0.60 billion as at June 30, 2026 as compared to 0.91 billion as at the start of the year.

HBL Islamic Savings Fund
The total and net income of the Fund was Rs. 1.31 billion and Rs. 1.11 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 101.0273 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.35 per unit) as compared to Rs. 100.6142 as on June 30, 2025, thereby giving a return of 9.74% during the year, against the benchmark (90% 3 Month PKISRV & 10% 3 Month Deposit rate) return of 9.37%. The size of Fund was Rs. 35.04 billion as on June 30, 2026 as compared to Rs. 5.36 billion as at start of the year.

HBL Islamic Fixed Term Fund
There were no active plans in HBL Islamic Fixed Term Fund as at June 30, 2026.

HBL Islamic Regular Income Fund
During the period under review, the Fund earned a total and net income of Rs. 3.02 million and Rs. 2.53 million respectively. The Net Asset Value (NAV) of the Fund was Rs. 100.0000 per unit as on June 30, 2026 (after incorporating dividend of Rs. 1.3852 per unit), thereby giving a return of 9.43% during the year, against the benchmark return of 9.68%. The size of Fund was Rs. 0.18 billion as on June 30, 2026.

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, 2027 are provided in the following table.

Name of Fund	Retiring Auditors for the year ended June 30, 2026	Auditors for the year June 30, 2027	Re-appointed / New Appointment
HBL Islamic Money Market Fund	A.F.Ferguson & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	Re-appointed
HBL Islamic Income Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
HBL Islamic Stock Fund	A.F.Ferguson & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment
HBL Islamic Equity Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
HBL Islamic Asset Allocation Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
HBL Islamic Savings Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
HBL Islamic Fixed Term Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
HBL Islamic Regular Income Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & 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 and the Digital Custodian Company Limited as Trustees, the Pakistan Stock Exchange Limited and the State Bank of Pakistan.

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

مینجمنٹ کمپنی کے ڈائریکٹرز کی رپورٹ

HBLایسیٹ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 30 جون2026 کوختم ہونے والے سال کے لئے HBLاسلامک منی مارکیٹ فنڈ، HBLاسلامک انکم فنڈ، HBLاسلامک اسٹاک فنڈ، HBLاسلامک ایکویٹی فنڈ، HBLاسلامک ایسیٹ ایلوکیشن فنڈ، HBLاسلامک سیونگز فنڈ، HBLاسلامک فلیکسڈ ٹرم فنڈ اور HBLاسلامک ریگولر انکم فنڈ (فنڈز) کے مالیاتی گوشواروں کے ہمراہ اپنی یہ رپورٹ پیش کرتے ہوئے خوشی ہورہی ہے۔

معاشی جائزہ

مالی سال 2026 کے دوران پاکستان کے میکرو اکنامک استحکام میں مزید بہتری آئی، بالخصوص مشرقِ وسطیٰ میں جاری تنازع اور آبنائے ہرمز سے متعلق خدشات کے باعث اگرچہ جغرافیائی سیاسی کشیدگی میں اضافہ برقرار رہا۔ان حالات کے نتیجے میں سال کے ابتدائی حصے میں عالمی سطح پر تیل کی قیمتوں میں اضافہ ہوا، جس سے درآمدی افراطِ زر اور ملک میں ایندھن کی لاگت پر دباؤ بڑھا۔تاہم، سال کے دوران جغرافیائی سیاسی خطرات میں کمی آنا شروع ہوئی، جس کی بنیادی وجہ امریکہ اور ایران کے درمیان جنگ بندی اور مسلسل امن کی کوششیں تھیں۔اس تبدیلی سے عالمی مارکیٹ کے رجحانات میں بہتری آئی، بین الاقوامی خام تیل کی قیمتوں میں کمی واقع ہوئی اور پاکستان میں لاگت میں اضافے کے باعث پیدا ہونے والے افراطِ زر کے دباؤ میں بھی کمی لانے میں مدد ملی۔

حقیقی مجموعی ملکی پیداوار(GDP) کی شرحِ نمو3.7% تک پہنچ گئی، جو گزشتہ چار سال کی بلند ترین شرح ہے، جبکہ ملکی معیشت کا حجم بڑھ کر452.1 بلین امریکی ڈالر ہوگیا۔سال کے آغاز میں سیلاب سے متعلق رکاوٹوں اور عالمی سطح پر توانائی کی زیادہ قیمتوں کے عارضی اثرات کے باوجود زراعت، صنعت اور خدمات کے شعبوں میں مجموعی طور پر وسیع بنیادوں پر نمو برقرار رہی۔

بیرونی شعبے کے محاذ پر مالی سال 2026 کے دوران کرنٹ اکاؤنٹ میں مجموعی طور پر 139 ملین امریکی ڈالر کا خسارہ ریکارڈ کیا گیا، جبکہ مالی سال 2025 میں 1,838 ملین امریکی ڈالر کا سرپلس حاصل ہوا تھا۔جون 2026 میں کرنٹ اکاؤنٹ کا خسارہ 649 ملین امریکی ڈالر رہا۔اس صورتحال کی بنیادی وجہ سالانہ درآمدات میں8.5% اضافہ تھا، جو بڑھ کر 76.4 بلین امریکی ڈالر ہوگئیں، جبکہ برآمدات تقریباً مستحکم رہتے ہوئے40.9 بلین امریکی ڈالر رہیں۔ترسیلاتِ زر نے بدستور اہم معاون کردار ادا کیا اور ان میں8.6% اضافہ ہوا، جس کے نتیجے میں یہ41.6 بلین امریکی ڈالر تک پہنچ گئیں۔زرمبادلہ کے ذخائر اور شرحِ مبادلہ مجموعی طور پر مستحکم رہے۔

سال کے دوران عمومی افراطِ زر میں اضافہ ہوا۔جون 2026 میں قومی CPI میں سال بہ سال11.1% اضافہ ہوا، جو مئی کے11.7% کے مقابلے میں قدرے کم تھا۔یہ مسلسل تیسری بار دو ہندسوں میں افراطِ زر کی شرح تھی، تاہم تیل کی کم قیمتوں کے باعث ماہانہ بنیاد پر اس میں کمی واقع ہوئی۔شہری اور دیہی علاقوں میں افراطِ زر بالترتیب11.2% اور10.9% رہا۔قیمتوں میں اضافے کا بنیادی دباؤ ٹرانسپورٹ(25.7%+)، ہاؤسنگ اینڈ یوٹیلیٹیز(15.5%+) اور خوراک ومشروبات (9.4%+) سے آیا۔مالی سال 2026 کے دوران اوسط CPI بڑھ کر7.1% ہوگیا، جبکہ گزشتہ سال یہ 4.5% تھا۔بنیادی افراطِ زر(NFNE) بھی بلند سطح پر برقرار رہا اور شہری علاقوں میں8.7% جبکہ دیہی علاقوں میں7.9% ریکارڈ کیا گیا۔ایندھن کی قیمتوں میں سال بہ سال32.1% اضافہ ہوا، تاہم عالمی سطح پر خام تیل کی قیمتوں میں کمی کے باعث ماہانہ بنیاد پر ان میں12.1% کمی ہوئی۔مستقبل کے حوالے سے توقع ہے کہ نسبتاً مستحکم میکرو اکنامک حالات کے باعث CPI کی شرح ایک ہندسے میں برقرار رہے گی، تاہم جغرافیائی سیاسی کشیدگی یا بین الاقوامی تیل کی قیمتوں میں دوبارہ اضافے کا کوئی بھی امکان افراطِ زر کے لیے اضافی خطرہ بن سکتا ہے۔

بڑے پیمانے کی مینوفیکچرنگ میں جولائی تا مئی مالی سال 2026 کے دوران5.8% اضافہ ہوا، جس سے گزشتہ سال کی منفی نمو کا رجحان تبدیل ہوا۔اس نمو میں آٹو موبائل، خوراک، ملبوسات اور پٹرولیم مصنوعات کے شعبوں نے نمایاں کردار ادا کیا۔ مالیاتی کارکردگی میں بھی بہتری آئی، اور جولائی تا مئی کے دوران مالیاتی خسارہ کم ہوکر GDP کا1.6% رہ گیا، جبکہ بنیادی سرپلس GDP کا 3.3% رہا۔اس بہتری میں زیادہ محصولات اور مارک اَپ کی ادائیگیوں میں نمایاں کمی نے اہم کردار ادا کیا۔مانیٹری پالیسی کمیٹی نے جون 2026 میں پالیسی ریٹ11.5% پر برقرار رکھا۔

مجموعی طور پر مالی سال 2026 کا اختتام میکرو اکنامک استحکام میں مزید مضبوطی کے ساتھ ہوا۔مشرقِ وسطیٰ کی کشیدگی سے پیدا ہونے والے ابتدائی جغرافیائی سیاسی جھٹکے، تیل کی زیادہ قیمتوں، پورے سال کے دوران کرنٹ اکاؤنٹ کے 139 ملین امریکی ڈالر کے معمولی خسارے اور اوسط افراطِ زر کے بڑھ کر7.1% ہونے کے باوجود، ترسیلاتِ زر میں مضبوط اضافہ، صنعتی سرگرمیوں میں بحالی، مالیاتی نظم وضبط میں بہتری اور بعد ازاں عالمی سطح پر توانائی کی قیمتوں میں کمی نے پاکستان کو معاشی استحکام کے حاصل شدہ فوائد برقرار رکھنے اور مالی سال 2027 میں نسبتاً مضبوط بنیاد کے ساتھ داخل ہونے میں مدد فراہم کی۔

اسٹاک مارکیٹ کا جائزہ

بہتر لیکویڈیٹی، مالیاتی پالیسی میں نرمی اور بیرونی کھاتے کے استحکام کے باعث اسٹاک مارکیٹ میں نمایاں بہتری آئی۔بینچ مارک KMI30 انڈیکس میں 72,440 پوائنٹس(39.20%) کا متاثر کن اضافہ ہوا اور یہ 257,327 پوائنٹس پر بند ہوا۔یہ بھی قابلِ ذکر ہے کہ KSE-100 انڈیکس نے بھی مضبوط کارکردگی کا مظاہرہ کیا، جو سرمایہ کاروں کے اعتماد میں بہتری کی عکاسی کرتا ہے اور بہتر ہوتے ہوئے میکرو اکنامک حالات کے دوران ایکویٹیز کو سرمایہ کاری کے ایک ترجیحی ذریعے کے طور پر نمایاں کرتا ہے۔

مثبت رجحان اور سرمایہ کاروں کے بڑھتے ہوئے اعتماد کی عکاسی مارکیٹ کے کاروباری حجم میں نمایاں بہتری سے بھی ہوئی۔زیرِ جائزہ مدت کے دوران KMI آل شیئر انڈیکس کا اوسط یومیہ کاروباری حجم 463 ملین حصص تک پہنچ گیا، جو گزشتہ سال کی اسی مدت کے 369 ملین حصص کے مقابلے میں26% اضافہ ہے۔اسی طرح، اوسط یومیہ کاروباری مالیت میں34% اضافہ ہوا اور یہ28.5 بلین روپے تک پہنچ گئی، جبکہ گزشتہ سال کی متعلقہ مدت میں یہ21.13 بلین روپے تھی۔

تاہم، غیر ملکی سرمایہ کار بدستور خالص فروخت کنندگان رہے اور ان کی خالص فروخت 849 ملین امریکی ڈالر رہی۔ مقامی سطح پر کمپنیوں نے مارکیٹ میں سب سے زیادہ خریداری کی اور ان کی خالص خریداری 2,014 ملین امریکی ڈالر رہی۔ اس کے بعد انفرادی سرمایہ کاروں اور NBFCs کی خالص خریداری بالترتیب 329 ملین امریکی ڈالر اور 4 ملین امریکی ڈالر رہی۔ دوسری جانب، بینکوں، میوچل فنڈز اور انشورنس کمپنیوں نے نمایاں فروخت کی اور ان کی مجموعی خالص فروخت 1,449 ملین امریکی ڈالر رہی۔

مستقبل کے حوالے سے توقع ہے کہ ایکویٹی مارکیٹ اپنے مثبت رجحان کو برقرار رکھے گی، جسے مستحکم بیرونی پوزیشن، میکرو اکنامک استحکام کے عمل میں مسلسل بہتری اور مارکیٹ میں مناسب لیکویڈیٹی کی معاونت حاصل رہے گی۔ تاہم، مارکیٹ کی سمت ایران اور امریکہ کے درمیان بڑھتی ہوئی جغرافیائی سیاسی کشیدگی، بالخصوص آبنائے ہرمز میں کسی بھی قسم کی رکاوٹ، کے حوالے سے حساس رہے گی۔ عالمی توانائی کی ترسیل کے لیے ایک اہم گزرگاہ ہونے کے باعث خطے میں کسی بھی کشیدگی کے بڑھنے سے بین الاقوامی سطح پر تیل کی قیمتوں میں اضافہ ہوسکتا ہے، جس سے درآمدی بل پر دباؤ بڑھے گا، افراطِ زر کے دباؤ میں دوبارہ اضافہ ہوسکتا ہے اور بیرونی کھاتے اور مجموعی مارکیٹ کے رجحانات متاثر ہوسکتے ہیں۔ اگر جغرافیائی سیاسی صورتحال میں کوئی نمایاں بگاڑ پیدا نہ ہوا اور کارپوریٹ آمدنی میں مسلسل بحالی، افراطِ زر میں کمی اور مالیاتی پالیسی کے مستحکم سے نسبتاً نرم رہنے کے امکانات برقرار رہے، تو یہ عوامل درمیانی مدت میں مارکیٹ میں مثبت رجحان کو برقرار رکھنے اور ویلیوایشن کے استحکام میں معاون ثابت ہونے کی توقع ہے۔

منی مارکیٹ کا جائزہ

زیرِ جائزہ مدت کے دوران اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 11.0% پر برقرار رکھا۔ پہلی تبدیلی 15 دسمبر 2025 کو ہوئی، جب SBP نے پالیسی ریٹ میں 50 بیسس پوائنٹس کی کمی کرتے ہوئے اسے 10.5% کر دیا۔ اس کے بعد اپریل 2026 میں دوسری تبدیلی کے تحت پالیسی ریٹ میں 100 بیسس پوائنٹس کا اضافہ کیا گیا اور اسے 11.5% کر دیا گیا، جو مدت کے اختتام تک برقرار رہا۔

17 جون 2026 کو ہونے والی اجارہ سکوک کی آخری نیلامی میں 5 سالہ فکسڈ انسٹرومنٹ کی ریٹل شرح 12.09% پر طے ہوئی۔

توقع ہے کہ SBP مستقبل میں محتاط پالیسی اختیار کرے گا۔ بہتر لیکویڈیٹی اور موجودہ پالیسی پوزیشن کے باعث مارکیٹ شرح منافع میں نرمی برقرار رہنے کا امکان ہے؛ تاہم، جغرافیائی سیاسی حالات کے نتیجے میں تیل کی قیمتوں میں اضافے کے باعث افراطِ زر میں کسی بھی اضافے سے شرح منافع پر اضافی دباؤ پڑ سکتا ہے۔

فنڈ کی کارکردگی اور ادائیگیاں

HBL اسلامک منی مارکیٹ فنڈ

30 جون 2026 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 7.88 بلین روپے اور 7.15 بلین روپے رہی۔ 30 جون 2026 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر (NAV) 101.9794 روپے تھی، جبکہ 30 جون 2025 کو یہ 101.5544 روپے تھی۔ 10.15 روپے فی یونٹ کے منافع کو شامل کرنے کے بعد فنڈ نے 10.45% سالانہ منافع حاصل کیا۔ سال کے دوران فنڈ کے بینچ مارک (90% تین ماہ PKISRV اور 10% تین ماہ ڈپازٹ ریٹس) کا منافع 9.37% رہا۔ 30 جون 2026 کو فنڈ کا حجم 56.86 بلین روپے تھا، جبکہ سال کے آغاز میں یہ 81.76 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی AA+(f) استحکام کی ریٹنگ کی دوبارہ توثیق کی ہے۔

HBL اسلامک انکم فنڈ

30 جون 2026 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 1.88 بلین روپے اور 1.71 بلین روپے رہی۔ 30 جون 2026 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر (NAV) 104.8624 روپے تھی، جس میں 9.80 روپے فی یونٹ کا منافع شامل ہے، جبکہ 30 جون 2025 کو یہ 104.0599 روپے تھی۔ اس طرح فنڈ نے 10.26% سالانہ منافع حاصل کیا۔ اسی سال فنڈ کے بینچ مارک (75% چھ ماہ PKISRV اور 25% چھ ماہ ڈپازٹ ریٹس) کا منافع 9.43% رہا۔ 30 جون 2026 کو فنڈ کا حجم 8.30 بلین روپے تھا، جبکہ سال کے آغاز میں یہ 17.57 بلین روپے تھا۔

JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ نے فنڈ کی A+(f) استحکام کی ریٹنگ کی دوبارہ توثیق کی ہے۔

HBL اسلامک اسٹاک فنڈ

30 جون 2026 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 244.36 ملین روپے اور 180.96 ملین روپے رہی۔ 30 جون 2026 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر (NAV) 264.5845 روپے تھی، جبکہ 30 جون 2025 کو یہ 207.5929 روپے تھی۔ اس طرح سال کے دوران فنڈ نے 27.45% منافع حاصل کیا، جبکہ اس کے بینچ مارک (KMI 30 انڈیکس) کا منافع 39.18% رہا۔ 30 جون 2026 کو فنڈ کا حجم 1.25 بلین روپے تھا، جبکہ سال کے آغاز میں یہ 0.80 بلین روپے تھا۔

HBL اسلامک ایکویٹی فنڈ

30 جون 2026 کو ختم ہونے والے سال کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 356.79 ملین روپے اور 296.84 ملین روپے رہی۔ 30 جون 2026 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر (NAV) 210.5759 روپے تھی، جبکہ 30 جون 2025 کو یہ 158.8867 روپے تھی۔ اس طرح سال کے دوران فنڈ نے 32.53% منافع حاصل کیا، جبکہ اس کے بینچ مارک (KMI 30 انڈیکس) کا منافع 39.18% رہا۔ 30 جون 2026 کو فنڈ کا حجم 1.35 بلین روپے تھا، جبکہ سال کے آغاز میں یہ 1.14 بلین روپے تھا۔

HBLاسلامک ایسیٹ ایلوکیشن فنڈ

30جون 2026 کوختم ہونے والے سال کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 148.97 ملین روپے اور 124.01 ملین روپے رہی۔فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر(NAV) 30جون 2025 کے 253.2553 روپے سے بڑھ کر 30جون 2026 کو 325.6498 روپے ہوگئی۔اس طرح زیرِ جائزہ مدت کے دوران فنڈ نے28.59% منافع حاصل کیا، جبکہ اس کے بینچ مارک (30 KMI انڈیکس کے اوسط یومیہ منافع اور Aیا اس سے بہتر ریٹنگ رکھنے والے بینکوں کے 6ماہ کے ڈپازٹ ریٹ کا مجموعی اوسط) کا منافع37.69% رہا۔ 30جون 2026 کو فنڈ کا حجم 0.60 بلین روپے تھا، جبکہ سال کے آغاز میں یہ 0.91بلین روپے تھا۔

HBLاسلامک سیونگز فنڈ

30جون 2026 کوختم ہونے والے سال کے دوران فنڈ کی کل آمدنی اور خالص آمدنی بالترتیب 1.31 بلین روپے اور 1.11بلین روپے رہی۔ 30جون 2026 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر(NAV) 101.0273 روپے تھی، جس میں 9.35 روپے فی یونٹ کا منافع شامل ہے، جبکہ 30جون 2025 کو یہ 100.6142 روپے تھی۔اس طرح سال کے دوران فنڈ نے 9.74% منافع حاصل کیا، جبکہ اس کے بینچ مارک (90% تین ماہ PKISRVاور10% تین ماہ ڈپازٹ ریٹ) کا منافع9.37% رہا۔ 30جون 2026 کو فنڈ کا حجم 35.04بلین روپے تھا، جبکہ سال کے آغاز میں یہ 5.36 بلین روپے تھا۔

HBLاسلامک فلکسڈ ٹرم فنڈ

30جون 2026 کو HBLاسلامک فلکسڈ ٹرم فنڈ میں کوئی فعال پلان موجود نہیں تھا۔

HBLاسلامک ریگولر انکم فنڈ

زیرِ جائزہ مدت کے دوران فنڈ نے بالترتیب 3.02 ملین روپے کی کل آمدنی اور 2.53 ملین روپے کی خالص آمدنی حاصل کی۔ 30جون 2026 کو فنڈ کی فی یونٹ خالص اثاثہ جاتی قدر(NAV) 100.0000 روپے تھی، جس میں 1.3852 روپے فی یونٹ کا منافع شامل ہے۔اس طرح سال کے دوران فنڈ نے 9.43% منافع حاصل کیا، جبکہ اس کے بینچ مارک کا منافع 9.68% رہا۔ 30جون 2026 کو فنڈ کا حجم 0.18بلین روپے تھا۔

مینجمنٹ کمپنی کی ریٹنگ

VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ(VIS) نے مینجمنٹ کمپنی کی مینجمنٹ کوالٹی ریٹنگ 'AM-I' (AM-One) کی دوبارہ توثیق کی ہے، جبکہ مقرر کردہ ریٹنگ کا آؤٹ لک 'مستحکم' قرار دیا گیا ہے۔

آڈیٹرز

30جون 2027 کوختم ہونے والے سال کے لیے سبکدوش ہونے والے آڈیٹرز اور نئے آڈیٹرز کی تقرری کی تفصیلات درج ذیل جدول میں فراہم کی گئی ہیں۔

فنڈ کا نام	30جون 2026 کوختم ہونے والے سال کے سبکدوش ہونے والے آڈیٹرز	30جون 2027 کے سال کے لیے آڈیٹرز	دوبارہ تقرری/نئی تقرری
HBLاسلامک منی مارکیٹ فنڈ	اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس	اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری
HBLاسلامک انکم فنڈ	بی ڈی او ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس	بی ڈی او ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری
HBLاسلامک اسٹاک فنڈ	اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹس	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	نئی تقرری
HBLاسلامک ایکویٹی فنڈ	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری
HBLاسلامک ایسیٹ ایلوکیشن فنڈ	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری
HBLاسلامک سیونگز فنڈ	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	یوسف عادل اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری
HBLاسلامک فلکسڈ ٹرم فنڈ	بی ڈی او ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس	بی ڈی او ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری
HBLاسلامک ریگولر انکم فنڈ	بی ڈی او ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس	بی ڈی او ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس	دوبارہ تقرری

یونٹس کی ملکیت کی تفصیل

یونٹس کی ملکیت کی تفصیلات متعلقہ فنڈز کے مالیاتی گوشواروں میں فراہم کی گئی ہیں۔ یونٹس کی تعداد کے لحاظ سے ملکیت کی تقسیم متعلقہ فنڈز کی سالانہ فنڈ مینیجر رپورٹ کے متعلقہ حصے میں فراہم کی گئی ہے۔

اظہارِ تشکر

بورڈ اس موقع پر اپنے معزز یونٹ ہولڈرز کا اُن کے اعتماد اور سرپرستی پر تہہ دل سے شکریہ ادا کرتا ہے۔ بورڈ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمپنی آف پاکستان، بطور ٹرسٹیز ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ، پاکستان اسٹاک ایکسچینج لمیٹڈ اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ تعاون اور رہنمائی کی قدر اور اس کا اعتراف کرتا ہے۔

بورڈ اپنے عملے کی جانب سے کی جانے والی محنت اور لگن کو بھی قدر کی نگاہ سے دیکھتا اور اس کا اعتراف کرتا ہے۔

منجانب بورڈ
HBLایسیٹ مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر



ISLAMIC MONEY MARKET FUND

FUND INFORMATION

NAME OF FUND	HBL Islamic Money Market Fund
NAME OF AUDITOR	AFF Fergusons & Co., Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited (CDC)
NAME OF SHARIAH ADVISOR	Al Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Habib Bank Limited Askari Bank Limited Habib Metropolitan Bank Limited Bank Al Habib Limited Allied Bank Limited Faysal Bank Limited Bank Alfalah Limited Meezan Bank Limited National Bank Limited United Bank Limited MCB Bank limited Dubai Islamic Bank Soneri Bank limited
FUND RATING	AA+(f)' (JCR-VIS)

FUND MANAGER'S REPORT - HBL ISLAMIC MONEY MARKET FUND

Type and Category of Fund

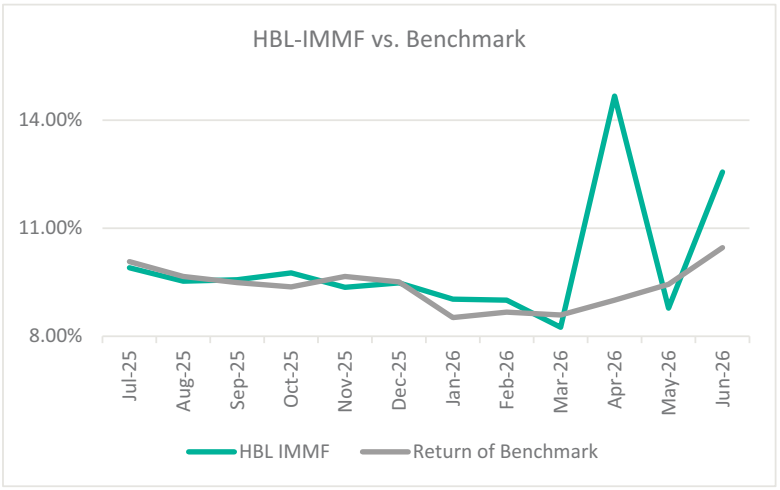
Open end Islamic Money Market Fund

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

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

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

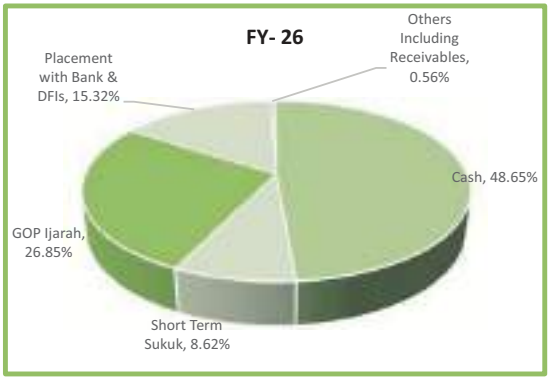
Month	HBL-IMMF	Benchmark
Jun-26	12.56%	10.46%
May-26	8.78%	9.44%
Apr-26	14.67%	9.00%
Mar-26	8.25%	8.59%
Feb-26	9.00%	8.67%
Jan-26	9.03%	8.52%
Dec-25	9.48%	9.51%
Nov-25	9.36%	9.66%
Oct-25	9.76%	9.37%
Sept-25	9.57%	9.49%
Aug-25	9.53%	9.66%
Jul-25	9.90%	10.07%

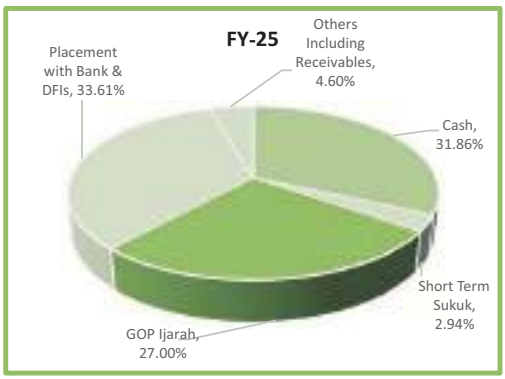


Strategies and Policies employed during the Period

The Fund maintained a handsome cash balance owing to attractive year end rates followed by investments in GoP Sukuks. During the year, investment in short term sukuks and GoP Sukuks assisted the fund manager to support the bottom line of the fund. However, this mode of investment is limited to a few issuers because Money Market Schemes have duration and rating limitations. At the end of the period, asset allocation comprised of 48.65% investment in Daily Product Accounts, 15.32% placement with banks and DFIs, and remaining 26.85% in GoP Ijara Sukuk and 8.62% in short term Sukuks.

Asset Allocation





Fund Performance
The total income and net income of the Fund was Rs. 7.88 billion and Rs. 7.15 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 101.9794 per unit as on June 30, 2026 as compared to Rs. 101.5544 per unit as on June 30, 2025, after incorporation dividend of Rs. 10.15 per unit, thereby giving an annualized return of 10.45%. During the year the benchmark return (90% 3 Month PKISRV & 10% 3 Month deposit rates) was 9.37%. The size of Fund was Rs. 56.86 billion as on June 30, 2026 as compared to Rs. 81.76 billion at the start of the year.

Money Market Review
During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution
The Fund has distributed cash dividend up-to Rs. 10.15 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs during the period under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	10,098	94,704
101 - 500	771	178,515
501 - 1,000	251	179,954
1,001 - 10,000	754	3,332,090
10,001 - 100,000	1,161	47,161,092
100,001 - 500,000	429	97,889,257
500,001 - 1,000,000	75	54,496,669
1,000,001 - 5,000,000	66	138,492,876
5,000,001 and above	17	215,704,110
Total	**13,622**	**557,529,267**

Unit Splits
There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders
Investments are subject to market risk.

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

PERFORMANCE TABLE - HBL ISLAMIC MONEY MARKET FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end(Rs'000)	56,856,509	81,763,705	65,102,053	44,532,740	15,540,463	6,640,304
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	101.9352	101.5544	101.3535	101.3883	101.2171	101.1940
Offer	103.1075	102.7223	102.4988	102.5340	102.3609	102.3375
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	112.9966	116.1549	102.3177	102.3177	102.3177	102.9680
Lowest offer price per unit	102.7223	102.3177	102.3177	102.3177	102.3177	101.1744
Highest redemption price per unit	111.7119	114.8343	101.1744	101.1744	101.1744	101.8175
Lowest redemption price per unit	101.5544	101.1744	101.1744	101.1744	101.1744	101.1744
RETURN (%)						
Total return	10.45%	14.05%	21.98%	17.24%	9.99%	6.47%
Income distribution	9.99%	13.79%	19.48%	15.74%	9.50%	6.26%
Capital growth	0.46%	0.26%	2.50%	1.50%	0.49%	0.21%
DISTRIBUTION						
Final dividend distributation- Rs	10.15	13.9787	19.7523	15.9328	9.6178	6.3321
Date of Income Distribution		Different Dates	Different Dates	Different Dates	Different Dates	Different Dates
Total dividend distribution for the year/ period	10.15	13.98	19.75	15.93	9.62	6.33
AVERAGE RETURNS (%)						
Average annual return 1 year	10.45%	14.05%	21.98%	17.24%	9.99%	6.47%
Average annual return 2 year	12.24%	17.95%	19.59%	13.56%	8.22%	8.90%
Average annual return 3 year	15.39%	17.71%	16.30%	11.14%	9.26%	8.63%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	48.65%	31.86%	28.07%	60.79%	86.09%	77.27%
Commercial paper	0.00%	0.00%	0.00%	0.00%	6.63%	12.48%
Placement with Banks and DFIs	15.32%	33.61%	56.63%	26.80%	0.00%	0.00%
GoP Ijarah	26.85%	27.00%	10.27%	0.00%	0.00%	0.00%
TFCs / Sukuks	8.62%	2.94%	2.98%	10.63%	5.91%	8.99%
Others	0.56%	4.59%	2.05%	1.78%	1.37%	1.26%

Note:
The Launch date of the Fund is May 10, 2011

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

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

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC MONEY MARKET FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Money Market Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 28, 2025

HBL ASSET MANAGEMENT
ایچ بی ایل ایسیٹ مینجمنٹ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Money Market Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid
Chief Executive Officer
Dated: August 27, 2026

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLIMMF/632

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Money market Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the **HBL Islamic Money market Fund** did not book any charity amount

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Islamic Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Islamic Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements 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, 2026, 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 International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 5 and 6 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 25,808.971 million and investments of the Fund amounted to Rs. 31,055.945 million as at June 30, 2026. 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, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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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 Board of Directors of Management Company for the Financial Statements

The Management Company (HBL Asset Management Limited) 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 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, 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 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 Company.

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- 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 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 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 or the financial statements prepared are in agreement with the books and records of 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 29, 2026
UDIN: AR202610061Q3s86XIAR

HBL ISLAMIC MONEY MARKET FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026	2025
		---- (Rupees in '000) ----	
ASSETS			
Bank balances	5	25,808,971	26,641,638
Investments	6	31,055,945	55,914,660
Profit receivable	7	542,866	369,327
Advance, deposit, prepayments and other receivables	8	37,779	38,147
Total assets		57,445,561	82,963,772
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	9	42,461	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee	10	3,097	3,997
Payable to the Securities and Exchange Commission of Pakistan	11	3,484	4,758
Accrued expenses and other liabilities	12	537,905	1,082,428
Dividend payable		2,105	20,850
Payable against redemption of units		-	18,346
Advance against issuance of units		-	7,034
Total liabilities		589,052	1,200,067
NET ASSETS		56,856,509	81,763,705
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		56,856,509	81,763,705
CONTINGENCIES AND COMMITMENTS	13		
		------- (Number of units) -------	
NUMBER OF UNITS IN ISSUE	18	557,529,267	805,122,190
		---------- (Rupees) ----------	
NET ASSET VALUE PER UNIT	4.7	101.9794	101.5544

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC MONEY MARKET FUND
Income Statement
For the year ended June 30, 2026

	Note	2026	2025
		---- (Rupees in '000) ----	
INCOME			
Profit on savings accounts with banks		1,770,385	1,859,753
Profit on government securities		1,500,920	2,387,878
Profit on Islamic term deposit receipts		1,427,947	2,500,568
Profit on bai muajjal		2,622,462	3,671,954
Profit on corporate sukuk certificates		590,144	260,930
Loss on sale of investments - net		(4,237)	(29,515)
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.5	(30,739)	35,271
Total income		7,876,882	10,686,839
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	9.1 & 9.2	620,511	695,257
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	10.1 & 10.2	47,536	49,550
Fee to the Securities and Exchange Commission of Pakistan	11.1	56,366	58,754
Auditor's remuneration	14	1,909	1,249
Settlement and bank charges		1,305	2,019
Fees and subscription		1,143	675
Printing and stationery		-	185
Total expenses		728,770	807,689
Net income for the year before taxation		7,148,112	9,879,150
Taxation	16	-	-
Net income for the year after taxation		7,148,112	9,879,150
Allocation of net income for the year:			
Net income for the year after taxation		7,148,112	9,879,150
Income already paid on units redeemed		(6,008,545)	(7,508,841)
		1,139,567	2,370,309
Accounting income available for distribution:			
- Relating to capital gains		-	5,756
- Excluding capital gains		1,139,567	2,364,553
		1,139,567	2,370,309

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC MONEY MARKET FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	2026	2025
	------ (Rupees in '000) ------	
Net income for the year after taxation	7,148,112	9,879,150
Other comprehensive income for the year	-	-
Total comprehensive income for the year	7,148,112	9,879,150

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC MONEY MARKET FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at the beginning of the year	81,488,015	275,690	81,763,705	64,966,613	135,440	65,102,053
Issuance of 1,677,369,062 (2025: 2,152,347,125) units						
- Capital value (at net asset value per unit at the beginning of the year)	170,344,209	-	170,344,209	218,147,914	-	218,147,914
- Element of income	5,569,387	-	5,569,387	11,968,063	-	11,968,063
Total proceeds on issuance of units	175,913,596	-	175,913,596	230,115,977	-	230,115,977
Redemption of 1,924,961,985 (2025: 1,989,551,772) units						
- Capital value (at net asset value per unit at the beginning of the year)	(195,488,359)	-	(195,488,359)	(201,648,036)	-	(201,648,036)
- Element of loss	(4,904,359)	(6,008,545)	(10,912,904)	(10,454,615)	(7,508,841)	(17,963,456)
Total payments on redemption of units	(200,392,718)	(6,008,545)	(206,401,263)	(212,102,651)	(7,508,841)	(219,611,492)
Total comprehensive income for the year	-	7,148,112	7,148,112	-	9,879,150	9,879,150
Distribution for the year ended June 30, 2026						
- Rs. 10.15 per unit declared on Jun 22, 2026	-	(1,250,081)	(1,250,081)	-	-	-
Distribution for the year ended June 30, 2025						
- Rs. 13.75 per unit declared on June 23, 2025	-	-	-	-	(2,083,159)	(2,083,159)
- Re. 0.2278 per unit declared on July 02, 2025	-	-	-	-	(146,900)	(146,900)
Refund of capital	(317,560)	-	(317,560)	(1,491,924)	-	(1,491,924)
Net assets at the end of the year	56,691,333	165,176	56,856,509	81,488,015	275,690	81,763,705
Undistributed income brought forward comprising of:						
- Realised income		240,419			113,690	
- Unrealised income		35,271			21,750	
		275,690			135,440	
Accounting income available for distribution:						
- Relating to capital gains		-			5,756	
- Excluding capital gains		1,139,567			2,364,553	
		1,139,567			2,370,309	
Distributions made during the year		(1,250,081)			(2,230,059)	
Undistributed income carried forward		165,176			275,690	
Undistributed income carried forward comprising of:						
- Realised income		195,915			240,419	
- Unrealised (loss) / income		(30,739)			35,271	
		165,176			275,690	
		(Rupees)			(Rupees)	
Net assets value per unit at the beginning of the year		101.5544			101.3535	
Net assets value per unit at the end of the year		101.9794			101.5544	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC MONEY MARKET FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	2026	2025
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		7,148,112	9,879,150
Adjustments for:			
Profit on savings accounts with banks		(1,770,385)	(1,859,753)
Profit on government securities		(1,500,920)	(2,387,878)
Profit on Islamic term deposit receipts		(1,427,947)	(2,500,568)
Profit on bai muajjal		(2,622,462)	(3,671,954)
Profit on corporate sukuk certificates		(590,144)	(260,930)
Loss on sale of investments - net		4,237	29,515
Net unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.5	30,739	(35,271)
		(728,770)	(807,689)
Decrease / (increase) in assets			
Investments - net		33,823,739	(39,499,474)
Advance, deposit, prepayments and other receivables		368	(296)
		33,824,107	(39,499,770)
Increase / (decrease) in liabilities			
Payable to HBL Asset Management Limited - Management Company		(20,193)	(2,621)
Payable to Central Depository Company of Pakistan Limited - Trustee		(900)	500
Payable to the Securities and Exchange Commission of Pakistan		(1,274)	559
Accrued expenses and other liabilities		(544,523)	740,456
		(566,890)	738,894
Profit received on savings accounts with banks and investments		7,738,319	10,703,617
Net cash generated from / (used in) operating activities		40,266,766	(28,864,948)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net of refund of capital		175,589,002	228,629,186
Payment against redemption and conversion of units		(206,419,609)	(219,593,146)
Dividend paid		(1,268,826)	(2,209,516)
Net cash (used in) / generated from financing activities		(32,099,433)	6,826,524
Net increase / (decrease) in cash and cash equivalents		8,167,333	(22,038,424)
Cash and cash equivalents at the beginning of the year		26,641,638	48,680,062
Cash and cash equivalents at the end of the year	17	34,808,971	26,641,638

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Islamic Money Market Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 23, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 10, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh 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.

1.2 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 'Money Market Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.

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

1.5 VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating of 'AM1' dated December 31, 2025 (2025: 'AM1' dated December 31, 2024) and the outlook on the assigned rating remains 'Stable' (2025: 'Stable') and the Fund stability rating of 'AA+(f)' dated December 29, 2025 (2025: 'AA+(f)' dated March 3, 2025). The rating reflects the Management Company's adequate corporate governance framework with a well structured Board and Committees, an experienced management team, adherence to best governance practices and supporting 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 PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

Where provisions of, directives and notifications 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 Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. 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.

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

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, 2026. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the '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 effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

3.4 Critical accounting estimates and judgments

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

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

3.5 Accounting convention

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

3.6 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.2 Cash and cash equivalents

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

4.3 Financial assets

4.3.1 Initial recognition and measurement

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

4.3.2 Classification and subsequent measurement

Debt instruments

IFRS 9 provides criteria for debt securities whereby these debt securities are either classified as:

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

based on the business model of the entity.

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

4.3.3 Impairment (other than debt securities)

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

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

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

4.3.4 Impairment loss on debt securities

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

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

4.3.5 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

4.3.6 Derecognition

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

4.4 Financial liabilities

4.4.1 Classification and subsequent measurement

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

4.4.2 Derecognition

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

4.5 Offsetting of financial assets and financial liabilities

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

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

4.6 Provisions

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

4.7 Net asset value per unit

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

4.8 Issuance and redemption of units

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

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

4.9 Distributions to unit holders

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

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

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

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

4.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- 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 they arise;
- Income on corporate sukuk certificates, certificates of musharakah, GoP Ijarah sukuks, bai muajjal and Islamic term deposit receipts is recognised on a time proportionate basis using the effective yield method 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; and
- Profit on savings accounts with banks is recognised on a time proportionate basis using the effective yield method.

4.12 Expenses

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

4.13 Taxation

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

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

			2026	2025
5	**BANK BALANCES**	**Note**	**----- (Rupees in '000) -----**	
	Savings accounts	5.1	25,808,971	26,641,638

5.1 This includes a balance of Rs. 7,727.82 million (2025: Rs. 8,200.33 million) with Habib Bank Limited (a related party) that carries profit at the rate of 10.83% (2025: 11.11%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 9.75% to 10.83% (2025: 9.00% to 10.40%) per annum.

			2026	2025
6	**INVESTMENTS**	**Note**	**---- (Rupees in '000) ----**	
	At fair value through profit or loss			
	- GoP Ijarah sukuks	6.1	15,771,658	23,583,588
	- Corporate sukuk certificates	6.2	5,063,000	2,564,000
	- Bai muajjal	6.3	1,221,287	29,767,072
	- Islamic term deposit receipts	6.4	9,000,000	-
			31,055,945	55,914,660

6.1 GoP Ijarah sukuks

Tenure	Issue date	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation as at June 30,	Percentage in relation to	
				---------- Number of certificates ----------				---------- (Rupees in '000') ----------			total market value of investments	net assests of the Fund
1 Year	July 26, 2024	July 25, 2025	17.20%	600,000	-	600,000	-	-	-	-	-	-
1 Year	September 18, 2024	September 17, 2025	15.00%	50,001	-	50,001	-	-	-	-	-	-
5 Years	July 29, 2020	September 29, 2025	8.37%	5,000	-	5,000	-	-	-	-	-	-
5 Years	July 29, 2020	September 29, 2025	11.20%	41,350	-	41,350	-	-	-	-	-	-
1 Year	October 21, 2024	October 20, 2025	11.80%	25,000	-	25,000	-	-	-	-	-	-
1 Year	November 7, 2024	November 6, 2025	11.00%	1,250,000	-	1,250,000	-	-	-	-	-	-
1 Year	December 4, 2024	December 3, 2025	11.00%	600,000	-	600,000	-	-	-	-	-	-
1 Year	January 9, 2025	January 8, 2026	10.42%	34,700	-	34,700	-	-	-	-	-	-
1 Year	May 2, 2025	May 1, 2026	10.86%	200,000	-	200,000	-	-	-	-	-	-
1 Year	May 30, 2025	May 29, 2026	10.06%	1,220,000	-	1,220,000	-	-	-	-	-	-
1 Year	August 21, 2025	August 20, 2026	10.45%	-	625,000	-	625,000	3,080,027	3,078,438	(1,589)	9.91%	5.41%
1 Year	January 22, 2026	January 22, 2027	9.44%	-	650,000	-	650,000	3,085,557	3,056,950	(28,607)	9.84%	5.38%
1 Year	April 16, 2026	April 15, 2027	11.80%	-	1,000,000	-	1,000,000	4,572,765	4,570,000	(2,765)	14.72%	8.04%
1 Year	April 30, 2026	April 29, 2027	12.00%	-	200,000	-	200,000	909,408	911,100	1,692	2.93%	1.60%
5 Years	October 29, 2021	October 29, 2026	10.77%	-	34,521	-	34,521	3,443,308	3,443,125	(183)	11.09%	6.06%
5 Years	October 6, 2021	October 6, 2026	11.85%	-	7,129	-	7,129	711,332	712,045	713	2.29%	1.25%
Total as at June 30, 2026								15,802,397	15,771,658	(30,739)		
Total as at June 30, 2025								23,548,317	23,583,588	35,271		
								23,548,317	23,583,588	35,271		

6.2 **Corporate sukuk certificates**

Name of the investee company	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Percentage in relation to total market value of investments	Percentage in relation to net assests of the Fund
			----- Number of certificates-----				----- (Rupees in '000') -----				
POWER GENERATION & DISTRIBUTION											
K-Electric Limited PPSTS - 33 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	January 23, 2026	11.05%	-	1,050	1,050	-	-	-	-	-	-
Lucky Electric Power Company Limited LEPCLSTS - 23 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	September 17, 2026	10.83%	-	425	-	425	425,000	425,000	-	1.37%	0.75%
TELECOMMUNICATION											
Pakistan Telecommunication Company Limited STS - XIV (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	January 12, 2026	11.12%	-	1,500	1,500	-	-	-	-	-	-
Pakistan Telecommunication Company Limited STS - XII (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	December 18, 2025	11.01%	650	-	650	-	-	-	-	-	-
Pakistan Telecommunication Company Limited STS - XII (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	January 09, 2026	11.12%	-	362	362	-	-	-	-	-	-
Pakistan Telecommunication Corporation STS - XI (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	September 19, 2025	12.12%	200	-	200	-	-	-	-	-	-
Pakistan Telecommunication Company Limited STS - XV (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	March 18, 2026	11.11%	-	666	666	-	-	-	-	-	-
Pakistan Telecommunication Company Limited STS - XVI (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	March 30, 2026	10.68%	-	750	750	-	-	-	-	-	-
Pakistan Telecommunication Company Limited STS - XVI B (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	July 09, 2026	10.42%	-	302	-	302	302,000	302,000	-	0.97%	0.53%
Pakistan Telecommunication Company Limited STS - B (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	October 13, 2026	11.39%	-	750	-	750	750,000	750,000	-	2.41%	1.32%
Pakistan Telecommunication Company Limited STS - XVI B (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	July 09, 2026	10.42%	-	776	-	776	776,000	776,000	-	2.50%	1.36%

Name of the investee company	Maturity date	Profit rate	As at July 1, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Percentage in relation to	
										total market value of investments	net assests of the Fund
			----- Number of certificates-----				----- (Rupees in '000') -----				
Pakistan Telecommunication Company Limited STS - XVIII (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	September 17, 2026	10.93%	-	750	-	750	750,000	750,000	-	2.41%	1.32%
Pakistan Telecommunication Company Limited STS - XIX (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	December 29, 2026	11.82%	-	710	-	710	710,000	710,000	-	2.29%	1.25%
Transworld Associates Cable Landing Station TWATS (A1+, VIS) (Face value of Rs. 1,000,000 per certificate)	October 16, 2026	12.19%	-	50	-	50	50,000	50,000	-	0.16%	0.09%
PHARMACEUTICALS											
Aspin Pharma Private Limited APPL - STS I (A1, VIS) (Face value of Rs. 1,000,000 per certificate)	July 06, 2025	12.88%	300	-	300	-	-	-	-	-	-
Citi Pharma Limited CPHL - STS (A1, VIS) (Face value of Rs. 1,000,000 per certificate)	December 31, 2026	11.28%	-	228	228	-	-	-	-	-	-
CHEMICALS											
Engro Fertilizers Limited EFLSC6 (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	November 14, 2025	11.26%	1,414	-	1,414	-	-	-	-	-	-
Engro Fertilizers Limited EFERT - STS (A1+, PACRA) (Face value of Rs. 1,000,000 per certificate)	May 18, 2026	11.00%	-	1,229	1,229	-	-	-	-	-	-
MODARABAS											
Burj Clean Energy Modaraba BCEM - STS (A1, VIS) (Face value of Rs. 1,000,000 per certificate)	January 09, 2026	12.82%	-	70	70	-	-	-	-	-	-
MISCELLANEOUS											
Siddiqsons Tin Plate Limited STPL - STS II (A2, PACRA) (Face value of Rs. 1,000,000 per certificate)	December 16, 2025	12.84%	-	355	355	-	-	-	-	-	-
Panther Tyre Limited STPL - STS II (A2, PACRA) (Face value of Rs. 1,000,000 per certificate)	July 2, 2026	11.15%	-	100	-	100	100,000	100,000	-	0.32%	
Ismail Industries Limited ISIL - SC VI (A2, PACRA) (Face value of Rs. 1,000,000 per certificate)	August 06, 2026	10.35%	-	1,200	-	1,200	1,200,000	1,200,000	-	3.86%	
Total as at June 30, 2026							5,063,000	5,063,000	-		
Total as at June 30, 2025							2,564,000	2,564,000	-		

6.3 Bai muajjal

Name of the investee institution	Maturity date	Profit rate	As at June 30, 2026				Percentage in relation to	
			Total transaction price	Deferred income	Accrued profit	Carrying value	total market value of investments	net assets of the Fund
			------- (Rupees in '000') -------				-------%-------	
Commercial banks								
UBL Bank Limited	July 18, 2025	11.70%	2,651,008	-	-	-	-	-
UBL Bank Limited	July 21, 2025	11.70%	2,122,928	-	-	-	-	-
Askari Bank Limited	July 23, 2025	10.83%	1,025,500	-	-	-	-	-
UBL Bank Limited	July 25, 2025	11.70%	4,134,132	-	-	-	-	-
Askari Bank Limited	July 28, 2025	10.83%	1,553,694	-	-	-	-	-
Askari Bank Limited	August 15, 2025	10.80%	2,073,434	-	-	-	-	-
UBL Bank Limited	October 31, 2025	10.72%	12,212,294	-	-	-	-	-
UBL Bank Limited	November 3, 2025	10.70%	1,018,848	-	-	-	-	-
Askari Bank Limited	November 10, 2025	10.75%	4,082,534	-	-	-	-	-
Askari Bank Limited	November 11, 2025	10.75%	2,042,020	-	-	-	-	-
Askari Bank Limited	November 14, 2025	10.75%	3,576,003	-	-	-	-	-
United Bank Limited	December 26, 2025	10.95%	3,802,056	-	-	-	-	-
Askari Bank Limited	February 3, 2026	10.80%	1,880,645	-	-	-	-	-
Askari Bank Limited	February 9, 2026	10.85%	1,465,753	-	-	-	-	-
Askari Bank Limited	February 10, 2026	10.85%	1,466,106	-	-	-	-	-
UBL Bank Limited	February 10, 2026	10.85%	1,573,155	-	-	-	-	-
Askari Bank Limited	February 11, 2026	10.85%	1,573,155	-	-	-	-	-
UBL Bank Limited	February 17, 2026	10.85%	3,989,159	-	-	-	-	-
Askari Bank Limited	February 18, 2026	10.87%	1,573,468	-	-	-	-	-
UBL Bank Limited	April 13, 2026	10.00%	3,147,264	-	-	-	-	-
UBL Bank Limited	May 11, 2026	10.32%	2,065,555	-	-	-	-	-
UBL Bank Limited	June 4, 2026	10.35%	5,297,288	-	-	-	-	-
Development financial institutions								
Pak Brunei Investment Company Limited	August 21, 2025	10.85%	5,081,812	-	-	-	-	-
Pak Oman Investment Company Limited	August 22, 2025	10.85%	5,476,406	-	-	-	-	-
Pak Oman Investment Company Limited	August 29, 2025	10.75%	5,241,608	-	-	-	-	-
Pak Oman Investment Company Limited	November 3, 2025	10.70%	2,547,120	-	-	-	-	-
Pak Brunie Investment Company Limited	November 13, 2025	10.70%	5,096,749	-	-	-	-	-
Pakistan Mortgage Refinance Company Limited	November 14, 2025	10.75%	3,576,003	-	-	-	-	-
Pak Oman Investment Company Limited	December 9, 2025	10.85%	3,114,780	-	-	-	-	-
Pak Brunie Investment Company Limited	January 29, 2026	10.90%	4,060,604	-	-	-	-	-
Pak Oman Investment Company Limited	February 4, 2026	10.85%	5,225,273	-	-	-	-	-
Pak Oman Investment Company Limited	February 9, 2026	10.85%	2,979,841	-	-	-	-	-
Pak Oman Investment Company Limited	April 13, 2026	10.00%	1,891,094	-	-	-	-	-
Pak Brunie Investment Company Limited	April 30, 2026	10.30%	2,629,575	-	-	-	-	-
Pak Brunie Investment Company Limited	May 4, 2026	10.30%	3,154,571	-	-	-	-	-
Pak Oman Investment Company Limited	May 4, 2026	10.30%	1,633,855	-	-	-	-	-
Pakistan Mortgage Refinance Company Limited	August 12, 2026	11.55%	1,202,265	35,001	19,022	1,221,287	3.93%	2.15%
Total as at June 30, 2026				35,001	19,022	1,221,287		
Total as at June 30, 2025				777,073	406,552	29,767,072		

6.4 **Islamic term deposit receipts**

Name of the investee bank	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of total market value of investments	Market value as a percentage of net assets of the Fund
	---%---	------- (Rupees in '000') -------					-------%-------	
COMMERCIAL BANKS								
Meezan Bank Limited (AAA, VIS)	10.35%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.35%	-	1,000,000	1,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.35%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	2,500,000	2,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	4,500,000	4,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	4,500,000	4,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	3,500,000	3,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	2,500,000	2,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.45%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	1,000,000	1,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	1,000,000	1,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	1,000,000	1,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	1,000,000	1,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.50%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.50%	-	1,500,000	1,500,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	4,000,000	4,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	4,000,000	4,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.50%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.99%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.99%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.99%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.99%	-	1,300,000	1,300,000	-	-	-	-
Faysal Bank Limited (AA+ VIS)	10.45%	-	4,000,000	4,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.25%	-	4,000,000	4,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.10%	-	1,500,000	1,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.55%	-	3,500,000	3,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.50%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.50%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.50%	-	1,500,000	1,500,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.55%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.50%	-	5,000,000	5,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	10.60%	-	1,900,000	1,900,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	10.60%	-	1,750,000	1,750,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	3,000,000	3,000,000	-	-	-	-

Name of the investee bank	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
							total market value of investments	net assets of the Fund
	---%---	------- (Rupees in '000') -------					-------%-------	
Dubai Islamic Bank Limited (AA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.55%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.55%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.55%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.55%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	2,750,000	2,750,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	3,700,000	3,700,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.65%	-	2,700,000	2,700,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.70%	-	2,700,000	2,700,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.70%	-	1,000,000	1,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.60%	-	4,000,000	4,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.60%	-	1,000,000	1,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	3,200,000	3,200,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	3,750,000	3,750,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.65%	-	3,250,000	3,250,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	600,000	600,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.60%	-	3,600,000	3,600,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.73%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.73%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.73%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.73%	-	1,000,000	1,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.73%	-	1,500,000	1,500,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.65%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.65%	-	1,000,000	1,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.65%	-	1,000,000	1,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	3,500,000	3,500,000	-	-	-	-

Name of the investee bank	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
							total market value of investments	net assets of the Fund
	---%---	------- (Rupees in '000') -------					-------%-------	
Habib Bank Limited (AAA, VIS)	10.65%	-	3,500,000	3,500,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	1,000,000	1,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.65%	-	1,000,000	1,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.60%	-	1,000,000	1,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.55%	-	3,000,000	3,000,000	-	-	-	-
UBL Bank Limited (AAA, VIS)	10.60%	-	4,000,000	4,000,000	-	-	-	-
UBL Bank Limited (AAA, VIS)	10.70%	-	4,000,000	4,000,000	-	-	-	-
UBL Bank Limited (AAA, VIS)	10.70%	-	3,900,000	3,900,000	-	-	-	-
UBL Bank Limited (AAA, VIS)	10.70%	-	2,600,000	2,600,000	-	-	-	-
UBL Bank Limited (AAA, VIS)	10.70%	-	1,000,000	1,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.65%	-	1,000,000	1,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.60%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.70%	-	5,000,000	5,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.65%	-	5,000,000	5,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.35%	-	5,000,000	5,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.20%	-	5,000,000	5,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.15%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.95%	-	1,500,000	1,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.95%	-	5,000,000	5,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	9.90%	-	1,500,000	1,500,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	9.90%	-	5,000,000	5,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.00%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.15%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.05%	-	4,600,000	4,600,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.15%	-	1,000,000	1,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.15%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.20%	-	5,000,000	5,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.20%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.20%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.20%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.20%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.20%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.20%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.20%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.20%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.10%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.10%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.10%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.15%	-	2,500,000	2,500,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.25%	-	4,000,000	4,000,000	-	-	-	-
UBL Bank Limited (AAA, VIS)	10.15%	-	2,500,000	2,500,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.25%	-	2,000,000	2,000,000	-	-	-	-

Name of the investee bank	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
							total market value of investments	net assets of the Fund
	---%---	------- (Rupees in '000') -------					-------%-------	
Habib Bank Limited (AAA, VIS)	10.25%	-	1,000,000	1,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.25%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.25%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.25%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.20%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.25%	-	500,000	500,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.15%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.15%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.15%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.20%	-	3,500,000	3,500,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.25%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.25%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.25%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.25%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.20%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.25%	-	4,000,000	4,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	10.50%	-	3,550,000	3,550,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.25%	-	1,000,000	1,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	10.30%	-	1,500,000	1,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.20%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.30%	-	2,000,000	2,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.30%	-	2,000,000	2,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.40%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.30%	-	2,000,000	2,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.35%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.20%	-	2,500,000	2,500,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.30%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	9.85%	-	3,000,000	3,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	9.85%	-	4,000,000	4,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.40%	-	1,500,000	1,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.50%	-	1,500,000	1,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.28%	-	2,200,000	2,200,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	10.35%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.35%	-	4,500,000	4,500,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	10.35%	-	5,000,000	5,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	10.40%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	10.45%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.25%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	10.25%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.10%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.10%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	11.25%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	11.25%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.25%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	11.35%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	11.35%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	11.30%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.25%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.25%	-	3,000,000	3,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	11.00%	-	4,000,000	4,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.30%	-	2,000,000	2,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	11.40%	-	3,000,000	3,000,000	-	-	-	-

Name of the investee bank	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
							total market value of investments	net assets of the Fund
	---%---	------- (Rupees in '000') -------					-------%-------	
Faysal Bank Limited (AA+, VIS)	11.20%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	11.20%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	11.20%	-	2,500,000	2,500,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	11.25%	-	3,000,000	3,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	11.25%	-	2,000,000	2,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	11.40%	-	3,000,000	3,000,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	11.40%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.45%	-	3,000,000	3,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.45%	-	4,000,000	4,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	11.45%	-	2,000,000	2,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	11.45%	-	3,000,000	3,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	11.34%	-	4,000,000	4,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	11.34%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.36%	-	2,000,000	2,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.36%	-	3,000,000	3,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.35%	-	4,500,000	4,500,000	-	-	-	-
Bank AL Habib Limited (AAA, PACRA)	11.45%	-	1,500,000	1,500,000	-	-	-	-
Allied Bank Limited (AAA, PACRA)	11.40%	-	5,000,000	5,000,000	-	-	-	-
Bank Alfalah Limited (AAA, PACRA)	11.40%	-	5,000,000	5,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.35%	-	2,000,000	2,000,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.30%	-	2,500,000	2,500,000	-	-	-	-
Dubai Islamic Bank Limited (AA, VIS)	11.30%	-	2,500,000	2,500,000	-	-	-	-
Bank AL Habib Limited (AAA, PACRA)	11.30%	-	1,500,000	1,500,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	11.30%	-	5,000,000	5,000,000	-	-	-	-
Faysal Bank Limited (AA+, VIS)	11.30%	-	5,000,000	5,000,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	11.30%	-	1,500,000	1,500,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	11.30%	-	3,500,000	3,500,000	-	-	-	-
Habib Bank Limited (AAA, VIS)	11.30%	-	5,000,000	5,000,000	-	-	-	-
Askari Bank Limited (AAA, PACRA)	10.50%	-	2,500,000	2,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.00%	-	4,000,000	4,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	11.00%	-	5,000,000	5,000,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.50%	-	3,500,000	3,500,000	-	-	-	-
Meezan Bank Limited (AAA, VIS)	10.50%	-	4,500,000	4,500,000	-	-	-	-
First Habib Modaraba (AA+, PACRA)	11.50%	-	1,000,000	-	1,000,000	1,000,000	3.22%	1.76%
Allied Bank Limited (AAA, PACRA)	11.25%	-	4,000,000	-	4,000,000	4,000,000	12.88%	7.04%
Allied Bank Limited (AAA, PACRA)	11.25%	-	4,000,000	-	4,000,000	4,000,000	12.88%	7.04%
Total as at June 30, 2026					9,000,000	9,000,000		
Total as at June 30, 2025					-	-		

		Note	2026	2025
			---------- (Rupees in '000) ----------	
6.5	**Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**			
	Market value of investments	6.1, 6.2, 6.3 & 6.4	31,055,945	55,914,660
	Less: carrying value of investments	6.1, 6.2, 6.3 & 6.4	(31,086,684)	(55,879,389)
			(30,739)	35,271

7	PROFIT RECEIVABLE	Note	2026	2025
			---------- (Rupees in '000) ----------	
	Profit accrued on:			
	Bank balances	7.1	259,971	108,362
	GoP Ijarah sukuks		84,805	211,985
	Corporate sukuk certificates		165,117	48,980
	Islamic term deposit receipts		32,973	-
			542,866	369,327

7.1 This includes a profit receivable amounting to Rs. 37.02 million (2025: Rs. 37.86 million) from HBL Bank Limited (a related party).

8	ADVANCE, DEPOSIT, PREPAYMENTS AND OTHER RECEIVABLES	Note	2026	2025
			---- (Rupees in '000) ----	
	Security deposit with:			
	- Central Depository Company of Pakistan Limited		100	100
	Prepayments of the fund rating and listing fee		107	391
	Other receivable		18,698	18,782
	Advance tax	8.1	18,874	18,874
			37,779	38,147

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during prior years, withholding taxes on profit on debt securities and on savings accounts with bank paid to the Fund were 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 withholdee. The tax withheld on profit on debt securities and on savings accounts with bank amounts to Rs. 18.87 million (2025: Rs. 18.87 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 on debt securities and on savings accounts with bank have been shown as advance tax as at June 30, 2026 as in the opinion of the Management Company, the amount of taxes deducted at source will likely to be refunded.

9	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
			---- (Rupees in '000) ----	
	Remuneration payable	9.1	34,708	38,129
	Sindh sales tax payable on remuneration of the Management Company	9.2	5,206	5,719
	Sales load payable		2,547	18,806
			42,461	62,654

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 and subject to a capping of 1.25% for a collective investment scheme categorised as 'Money Market Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rates ranging from 0.60% to 0.75% (2025: 0.40% to 0.845%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

9.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on Management Company's remuneration.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
			---- (Rupees in '000') ----	
	Remuneration payable	10.1	2,693	3,476
	Sindh sales tax payable on remuneration of the Trustee	10.2	404	521
			3,097	3,997

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

The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the trust deed at the rate of 0.055% (2025: 0.055%) per annum of the average annual net assets of the Fund.

10.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Trustee.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026	2025
			--- (Rupees in '000') ---	
	Fee payable	11.1	3,484	4,758

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to a "Money Market Scheme". Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2025: 0.075%) per annum of the daily net assets during the year. 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	2026	2025
			---- (Rupees in '000') ----	
	Auditor's remuneration payable		1,071	596
	Federal excise duty payable on remuneration of the Management Company	12.1	2,185	2,185
	Withholding tax payable		321,918	415,689
	Capital gain tax payable		207,371	663,066
	Zakat payable		1,296	688
	Other payables		4,064	204
			537,905	1,082,428

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 2.185 million (2025: Rs. 2.185 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re. 0.0039 (2025: Re. 0.0027).

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

14 AUDITOR'S REMUNERATION	2026	2025
	---(Rupees in '000') ---	
Annual audit fee	587	486
Half yearly review	391	340
Certification and other services	563	269
Out of pocket expenses and Sindh sales tax	368	154
	1,909	1,249

15 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 2.00% for a collective investment scheme categorised as "Money Market Scheme", 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, 2026 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 EQUIVALENTS	Note	2026	2025
		---- (Rupees in '000') ----	
Bank balances	5	25,808,971	26,641,638
Islamic term deposit receipts	6.4	9,000,000	-
		34,808,971	26,641,638

18 NUMBER OF UNITS IN ISSUE	2026	2025
	---- (Number of units) ----	
Units in issue at the beginning of the year	805,122,190	642,326,837
Units issued during the year	1,677,369,062	2,152,347,125
Units redeemed during the year	(1,924,961,985)	(1,989,551,772)
Total units in issue at the end of the year	557,529,267	805,122,190

19 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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 / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part of. Directors or officers of the Management Company or any of their connected persons as specified herein.

Transactions with connected persons essentially comprise issuance 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.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Offering Document, respectively.

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

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

	2026	2025
19.1 Transactions during the year	---- (Rupees in '000') ----	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company (Including Sindh sales tax thereon)	620,511	695,257
Issuance of 4,027,493 (2025: 4,300) units	425,000	466
Redemption of 4,291,561 (2025: 1,910,051) units 462,428		196,000
Dividend reinvestment of nil (2025: 28,569) units	-	3,711
Habib Bank Limited - Sponsor		
Bank charges	1,091	1,726
Profit on savings accounts with banks	354,446	212,114
Purchase of GoP Ijarah sukuks	52,808,398	19,016,204
Sale of GoP Ijarah sukuks	-	12,911,635
Directors, Executive and Key management personnel		
Issuance of 633,715 (2025: 362,886) units	66,271	37,029
Redemption of 465,023 (2025: 329,023) units	51,544	46,554
Dividend reinvestment of 38 (2025 : 5,701) units	5	705
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee (Including Sindh sales tax thereon)	47,536	49,550
Pakistan Petroleum Limited - Associate		
Redemption of nil (2025: 75,155,205) units	-	7,745,984
Dividend reinvestment of nil (2025: 144,125) units -		14,582
Archroma Pakistan Limited - Employees Gratuity Fund - An associate		
Redemption of nil (2025: 561,711) units	-	56,831
HBL Asset Management Limited Employees Gratuity Fund - An associate		
Dividend reinvestment of 10,486 (2025: 17,909) units	1,501	1,815
HBL Asset Management Limited Employees Provident Fund - An associate		
Issuance of 98,427 (2025: 14) units	10,378	2
Dividend reinvestment of 27,222 (2025: 39,536) units	3,895	4,007
CDC Trustee HBL Income Fund - Fund under common management		
Purchase of corporate sukuk certificates	73,219	-
CDC Trustee HBL Islamic Income Fund - Fund under common management		
Purchase of corporate sukuk certificates	373,315	-
CDC Trustee Islamic Fixed Term Fund Plan-IX - Fund under common management		
Sale of GoP Ijarah sukuks	1,462,334	-
CDC Trustee KPK Islamic Pension Fund Money Market Sub Fund - Fund under common management		
Sale of GoP Ijarah sukuks	15,892	-

	2026	2025
	---- (Rupees in '000') ----	
CDC Trustee Islamic Savings Fund Plan I - Fund under common management		
Sale of GoP Ijarah sukuks	-	4,832,889
Purchase of GoP Ijarah sukuks	2,195,377	-
Jubilee Life Insurance Company Limited - An associate		
Issuance of nil (2025: 8,804,005) units	-	900,000
Dividend reinvestment of 689,366 (2025: 914,743) units	98,645	121,055
Pakistan National Shipping Corporation - An associate		
Issuance of nil (2025: 10,012,057) units	-	1,017
Redemption of nil (2025: 10,031,294) units	-	1,027,097
Dividend reinvestment of nil (2025: 19,237) units	-	1,946
Bank of Khyber - An associate		
Issuance of nil (2025: 3,929,099) units	-	400,001
Redemption of nil (2025: 3,929,087) units	-	400,791
Dividend reinvestment of 1 (2025: nil) units*	-	-
Transactions during the year		
UDL International Limited - Associate		
Issuance of nil (2025: 794,529) units	-	80,418
Redemption of nil (2025: 796,057) units	-	80,743
Dividend reinvestment of nil (2025: 1,528) units	-	154
Fauji Fertilizer Company Limited - Connected person due to holding more than 10% units		
Issuance of nil (2025: 208,169,605) units	-	22,219,304
Redemption of nil (2025: 156,886,203) units	-	11,278,586
Dividend reinvestment of nil (2025: 67,837) units	-	6,863

19.2 Balances outstanding as at year end	2026	2025
	---- (Rupees in '000') ----	
HBL Asset Management Limited - Management Company		
Remuneration payable	34,708	38,129
Sindh sales tax payable on remuneration of the Management Company	5,206	5,719
Sale load payable	2,547	18,806
Outstanding: nil (2025: 264,068) units	-	26,817
Habib Bank Limited - Sponsor		
Bank balance	7,727,815	8,200,331
Profit accrued on bank balance	37,022	37,860
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable	2,693	3,476
Sindh sales tax payable on remuneration of the Trustee	404	521
Directors, Executive and Key management personnel		
Outstanding: 453,637 (2025: 284,907) units	46,262	28,934
HBL Asset Management Limited Employees Gratuity Fund - Associate		
Outstanding: 158,320 (2025: 147,834) units	16,145	15,013

	2026	2025
	---- (Rupees in '000') ----	
HBL Asset Management Limited Employees Provident Fund - Associate		
Outstanding: 451,996 (2025: 326,347) units	46,094	33,142
Jubilee Life Insurance Company Limited - An associate		
Outstanding: 10,408,114 (2025: 9,718,748) units 1,061,413		986,982
Bank of Khyber - An associate		
Outstanding: 13 (2025: 12) units	1	1
Connected person due to holding 10% or more		
Fauji Fertilizer Company Limited		
Outstanding: 86,657,284 (2025: 86,657,284) units	8,837,258	8,800,428

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	---------- (Rupees in '000') ----------		
Financial assets			
Bank balances	25,808,971	-	25,808,971
Investments	-	31,055,945	31,055,945
Profit receivable	542,866	-	542,866
Deposit and other receivable	18,798	-	18,798
	26,370,635	31,055,945	57,426,580
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	42,461	-	42,461
Payable to Central Depository Company of Pakistan Limited - Trustee	3,097	-	3,097
Dividend payable	2,105	-	2,105
Accrued expenses and other liabilities	5,135	-	5,135
	52,798	-	52,798

	2025		
	At amortised cost	At fair value through profit or loss	Total
	---------- (Rupees in '000') ----------		
Financial assets			
Bank balances	26,641,638	-	26,641,638
Investments	-	55,914,660	55,914,660
Profit receivable	369,327	-	369,327
Deposit and other receivable	18,882	-	18,882
	27,029,847	55,914,660	82,944,507
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	62,654	-	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee	3,997	-	3,997
Payable against redemption of units	18,346	-	18,346
Advance against issuance of units	7,034	-	7,034
Dividend payable	20,850	-	20,850
Accrued expenses and other liabilities	800	-	800
	113,681	-	113,681

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 / profit rate risk, currency risk, and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks, investments in GoP Ijarah sukuks, corporate sukuk certificates and bai muajjal. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund's yield / profit rate risk arises from the balances in savings accounts and investments in GoP Ijarah sukuks. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 452.48 million (2025: Rs. 589.73 million).

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's yield / profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 and June 30, 2025 can be determined as follows:

	2026				
	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
	Effective yield / profit rate	Upto three months	More than three months and upto one year	More than one year	
	(%)	Rupees in '000			
On-balance sheet financial instruments					
Financial assets					
Bank balances	9.75% to 10.83%	25,808,971	-	-	25,808,971
Investments	10.35% to 12.84%	16,852,725	14,203,220	-	31,055,945
Profit receivable		-	-	542,866	542,866
Deposit and other receivable		-	-	18,798	18,798
		42,661,696	14,203,220	561,664	57,426,580

		2026				
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one	More than one year		
	(%)	Rupees in '000				
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	42,461	42,461
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,097	3,097
Dividend payable		-	-	-	2,105	2,105
Accrued expenses and other liabilities		-	-	-	5,135	5,135
		-	-	-	52,798	52,798
On-balance sheet gap (a)		42,661,696	14,203,220	-	508,866	57,373,782
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a-b)		42,661,696	14,203,220	-		
Cumulative profit rate sensitivity gap		42,661,696	56,864,916	56,864,916		

		2025				
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one	More than one year		
	(%)	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	9.00% to 11.11%	26,641,638	-	-	-	26,641,638
Investments	8.37% to 17.20%	33,493,422	22,421,238	-	-	55,914,660
Profit receivable		-	-	-	369,327	369,327
Deposit and other receivable		-	-	-	18,882	18,882
		60,135,060	22,421,238	-	388,209	82,944,507
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	62,654	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,997	3,997
Payable against redemption of units		-	-	-	18,346	18,346
Advance against issuance of units		-	-	-	7,034	7,034
Dividend payable		-	-	-	20,850	20,850
Accrued expenses and other liabilities		-	-	-	800	800
		-	-	-	113,681	113,681
On-balance sheet gap (a)		60,135,060	22,421,238	-	274,528	82,830,826
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a-b)		60,135,060	22,421,238	-		
Cumulative profit rate sensitivity gap		60,135,060	82,556,298	82,556,298		

(ii) Currency risk

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

(iii) Price risk

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

Equity price risk is the risk that the fair value of equity instruments decreases as a result of changes in the level of equity indices and the value of individual stocks. The Fund does not have any investment in equity securities as of June 30, 2026.

21.2 Liquidity risk

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

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

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

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

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

	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	42,461	-	-	-	-	-	42,461
Payable to Central Depository Company of Pakistan Limited - Trustee	3,097	-	-	-	-	-	3,097
Dividend payable	2,105	-	-	-	-	-	2,105
Accrued expenses and other liabilities	4,064	1,071	-	-	-	-	5,135
	51,727	1,071	-	-	-	-	52,798
	51,727	1,071	-	-	-	-	52,798

	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	62,654	-	-	-	-	-	62,654
Payable to Central Depository Company of Pakistan Limited - Trustee	3,997	-	-	-	-	-	3,997
Payable against redemption of units	18,346	-	-	-	-	-	18,346
Advance against issuance of units	7,034	-	-	-	-	-	7,034
Dividend payable	20,850	-	-	-	-	-	20,850
Accrued expenses and other liabilities	204	596	-	-	-	-	800
	113,085	596	-	-	-	-	113,681
	113,085	596	-	-	-	-	113,681

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:

	2026		2025	
	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	25,808,971	25,808,971	26,641,638	26,641,638
Investments	31,055,945	15,284,287	55,914,660	32,331,072
Profit receivable	542,866	458,061	369,327	157,342
Deposit and other receivable	18,798	18,798	18,882	18,882
	57,426,580	41,570,117	82,944,507	59,148,934

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investments in government securities and their accrued profit thereon, however, are not exposed to credit risk and have been excluded from the above analysis as these are guaranteed by the Government of Pakistan.

21.3.2 Credit quality of financial assets

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

Rating category	% of financial assets exposed to credit risk	
	2026	2025
AAA	73.37%	69.20%
AA+	26.50%	30.80%
AA *	0.13%	-
A- *	-	-
	100.00%	100.00%

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

Nil due to rounding off

21.3.3 Concentration of credit risk

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

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

All financial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

22 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

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

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair values:

	2026			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
GoP Ijarah sukuks	11,616,488	4,155,170	-	15,771,658
Corporate sukuk certificates *	-	5,063,000	-	5,063,000
Bai muajjal *	-	1,221,287	-	1,221,287
Islamic term deposit receipts*	-	9,000,000	-	9,000,000
	11,616,488	10,439,457	-	31,055,945

	2025			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets 'at fair value through profit or loss'				
GoP ijarah sukuks	13,360,948	10,222,640	-	23,583,588
Corporate sukuk certificates *	-	2,564,000	-	2,564,000
Bai muajjal *	-	29,767,072	-	29,767,072
	13,360,948	42,553,712	-	55,914,660

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

There were no transfers between levels during the year.

Valuation techniques used in determination of fair values are as follows:

Item	Valuation technique
GoP Ijarah Sukuks - PSX	The fair value of GoP Ijarah sukuks listed on Pakistan Stock Exchange has been determined through closing rates of Pakistan Stock Exchange.
GoP Ijarah Sukuks - Others	The fair value of other GoP Ijarah Sukuk is derived using PKISRV rates. The PKISRV rates are announced by the Financial Market Association (FMA) through Reuters. The rates announced are simple average of quotes received from eight different pre-defined / approved dealers / brokers.

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 Movements in Unit Holders' Fund'.

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

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

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

Category	----------2026----------		
	Number of unit holders	Investment amount	Percentage of total
		(Rupees in '000')	
Individuals	10,975	26,201,720	46.08%
Insurance Companies	18	1,997,948	3.52%
Banks and Development Financial Institutions*	1	1	-
Retirement Funds	51	1,456,342	2.56%
Public Limited Companies	21	13,695,386	24.09%
Others	215	13,505,112	23.75%
	11,281	56,856,509	100.00%

Category	----------2026----------		
	Number of unit holders	Investment amount	Percentage of total
		(Rupees in '000')	
Individuals	9,042	29,666,991	36.28%
Insurance Companies	22	2,645,605	3.24%
Banks and Development Financial Institutions*	1	1	-
NBFCs	1	26,817	0.03%
Retirement Funds	46	3,717,966	4.55%
Public Limited Companies	24	21,658,737	26.49%
Others	212	24,047,588	29.41%
	9,348	81,763,705	100.00%

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

----------2026----------	----------2025----------
Name of broker	Name of broker
Continental Exchange (Private) Limited	BMA Capital Management Limited
Next Capital Limited	Alfalah Securities (Private) Limited
Sherman Securities (Private) Limited	Continental Exchange (Private) Limited
Optimus Capital Management (Private) Limited	Currency Market Associates (Private) Limited
Currency Market Association of Pakistan	Invest One Market (Private) Limited
Magenta Capital (Private) Limited	Icon Management (Private) Limited
AKD Securities Limited	Paramount Capital (Private) Limited
BMA Capital Management Limited	AKD Securities Limited
Bright Capital (Private) Limited	JS Global Capital Limited
Icon Management (Private) Limited	Bright Capital (Private) Limited

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

S.no.	Name	Designation	Qualification	Overall experience
1	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27+ years
2	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	28+ years
3	Mr. Amin Mohammad	Chief Risk Officer	MBA	33+ years
4	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	21+ years
5	Ms. Nida Siddiqui	Assistant Fund Manager	MBA	1+ year

27 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 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	8	1	June 04, 2026
3	Mr. Rayomond H. Kotwal*	6	5	1	December 22, 2025
4	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
5	Mr. Tariq Masaud	9	8	1	October 30, 2025
6	Mr. Mir Adil Rashid	9	9	-	-
7	Mr. Ifran Ahmed Meer**	3	2	1	April 29, 2026
8	Mr. Khalid Malik	9	9	-	-
9	Dr. Sahar Awan**	3	3	-	-
10	Mr. Habib Yousuf Habib*	3	3	-	-
11	Ms. Sheeza Ahmed	9	9	-	-

*Mr. Rayomond H. Kotwal and Mr. Habib Yousuf Habib resigned on April 06, 2026 and November 27, 2025 respectively.
**Mr. Irfan Ahmed Meer and Dr. Sahar Awan were appointed on April 08, 2026.

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 27, 2026** .

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL

ISLAMIC ASSET ALLOCATION FUND

FUND INFORMATION

NAME OF FUND	HBL Islamic Asset Allocation Fund
NAME OF AUDITOR	Yousuf Adil & Co., Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
NAME OF SHARIAH ADVISOR	Al Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Habib Bank Limited Bank Al Habib Limited Dubai Islamic Bank Limited Askari Bank Limited Soneri Bank Limited Allied Bank Limited Bank Islami Pakistan Limited Al Baraka Bank Pakistan Limited MCB Islamic Bank Limited National Bank Limited The Bank of Khyber Faysal Bank Limited U Microfinance Bank Limited Meezan Bank Limited Bank Alfalah Limited

FUND MANAGER'S REPORT - HBL ISLAMIC ASSET ALLOCATION FUND

Type and Category of Fund

Open end Shariah Complaint Asset Allocation Fund

Investment Objective and Accomplishment of Objective

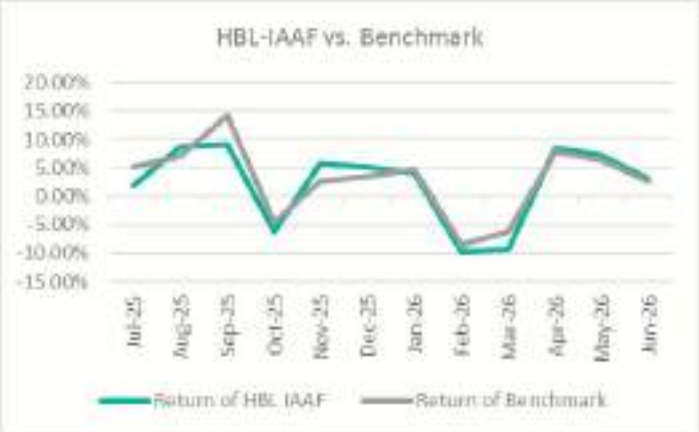
The objective of the Fund is to provide superior returns through investments in Shariah Complaint equity securities and Shariah Compliant income /money market instruments.

Benchmark and Performance Comparison with Benchmark

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

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

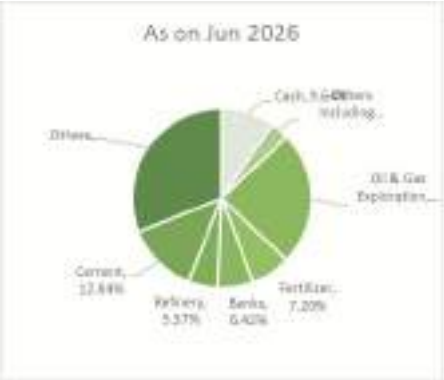
Month	Return of Fund	
	HBL-IAAF	Benchmark
Jun-26	3.17%	2.58%
May-26	7.27%	6.36%
Apr-26	8.39%	7.89%
Mar-26	-9.26%	-6.28%
Feb-26	-9.76%	-8.54%
Jan-26	4.18%	4.73%
Dec-25	5.17%	3.50%
Nov-25	5.87%	2.68%
Oct-25	-6.14%	-4.64%
Sept-25	9.13%	14.28%
Aug-25	8.66%	7.04%
Jul-25	1.81%	5.13%

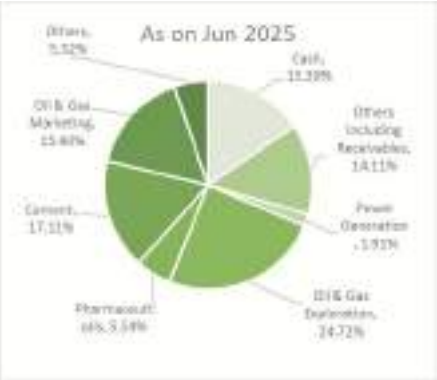


Strategies and Policies employed during the Year - HBL IAAF

During the year under review the Fund has decreased its exposure in equity securities from 70.50% as on June 30, 2025 to 86.97% on June 30, 2026. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. The Fund increased its exposure in fertilizers, commercial banks, refinery and others, while it decreased its exposure in the oil and gas marketing, pharmaceuticals, cement and power generation.

Asset Allocation





Fund Performance

The total and net income of the Fund was Rs. 148.97 million and Rs. 124.01 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund increased from Rs. 253.2553 per unit as on June 30, 2025 to Rs. 325.6498 per unit as on June 30, 2026, thereby giving a return of 28.59% during the period against the benchmark return (Weighted average daily return of KMI 30 Index & 6 months deposit rate of A rated or above banks) of 37.69%. The size of Fund was 0.60 billion as at June 30, 2026 as compared to 0.91 billion as at the start of the year.

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

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2026 and June 30, 2025:

Sector Name	As on Jun 2026	As on Jun 2025
Cash	9.64%	15.39%
Others Including Receivables	3.39%	14.11%
Power Generation	0.00%	1.91%
Oil & Gas Exploration	24.04%	24.72%
Pharmaceuticals	0.00%	5.54%
Fertilizer	7.20%	0.00%
Banks	6.42%	0.00%
Refinery	5.37%	0.00%
Cement	12.84%	17.11%
Oil & Gas Marketing	0.00%	15.90%
Others	31.10%	5.32%
Total	**100.00%**	**100.00%**

Review of Market invested in

During FY2026, the benchmark KMI-30 Index posted an impressive gain of 72,440 points (39.20%), closing at 257,327 points. The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KMI All-Share Index rising to 463 million shares (up 26% from 369 million shares in the same period last year). Average daily traded value surged 34% to PKR 28.5 billion, up from PKR 21.13 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution
The Board of Directors has approved NIL distribution from HBL Islamic Asset Allocation Fund for the year ended June 30, 2026.

Significant Changes in the State of Affairs

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

Breakdown of Unit Holding by Size

2.11%

From - To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	704	16,130
101 - 500	267	68,292
501 - 1,000	78	56,004
1,001 - 10,000	160	453,075
10,001 - 100,000	37	918,688
100,001 - 500,000	2	321,424
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**1,248**	**1,833,613**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL ISLAMIC ASSET ALLOCATION FUND

As at June 30, 2026

	2026			2025			2024			2023			2022		2021	
	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF-II	IAAF	IAAF-I	IAAF	IAAF-I
Net assets at the period end (Rs'000)	597,116	-	-	906,519	-	-	192,213	1,146,800	595,444	100,676	1,929,004	493,571	202,144	2,422,530	387,971	2,474,242
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES																
Redemption	325.6498	-	-	253.2553	-	-	171.1578	102.2464	100.5438	101.6871	101.3349	100.9289	108.5372	100.5354	112.9636	100.4119
Offer	333.1397	-	-	259.0802	-	-	175.0260	102.8241	102.8161	103.9852	101.9074	103.2099	110.9901	101.1034	115.5166	100.9792
OFFER / REDEMPTION DURING THE PERIOD - RUPEES																
Highest offer price per unit	349.5253	-	-	276.4068	110.9259	121.6331	185.1682	124.1608	125.0104	114.5224	116.6424	121.0851	118.9244	110.0364	119.2670	114.5896
Lowest offer price per unit	232.9557	-	-	169.4227	94.6633	103.8076	110.7775	102.0954	103.2402	97.2390	101.1082	102.2730	109.7132	101.0320	106.7077	100.5968
Highest redemption price per unit	341.6670	-	-	270.1924	110.2917	118.8984	181.0759	123.4632	122.2476	111.9914	115.9871	118.4091	116.2961	109.4182	116.6311	112.0571
Lowest redemption price per unit	227.7182	-	-	165.6136	94.1221	101.4737	108.3293	101.5218	100.9585	95.0900	100.5401	100.0127	107.2885	100.4644	104.3494	100.0316
RETURN (%)																
Total return	28.59%	-	-	50.06%	-7.95%	14.47%	76.64%	22.76%	21.69%	-6.31%	16.54%	19.75%	-3.92%	9.09%	11.59%	7.42%
Income distribution	0.00%	-	-	2.04%	0.00%	0.00%	8.75%	21.71%	21.15%	0.00%	15.70%	18.65%	0.00%	9.00%	2.70%	7.00%
Capital growth	28.59%	-	-	48.02%	-7.95%	14.47%	67.89%	1.05%	0.54%	-6.31%	0.84%	1.10%	-3.92%	0.09%	8.89%	0.42%
DISTRIBUTION																
Final dividend distributation- Rs	-	-	-	3.50	N/A	N/A	8.90	22.00	21.35	-	15.70	18.65	-	9.00	2.70	2.70
Date of Income Distribution				19-Jun-25			21-Jun-24	21-Jun-24	21-Jun-24	-	16-Jun-23	16-Jun-23	-	29-Jun-22	18-Jun-21	21-Jun-21
Total dividend distribution for the year (Rs)	-	-	-	3.50	N/A	N/A	8.90	22.00	21.35	-	15.70	18.65	-	9.00	2.70	7.00
AVERAGE RETURNS (%)																
Average annual return 1 year	28.59%	0.00%	0.00%	50.06%	-7.95%	14.47%	76.64%	22.76%	21.69%	-6.31%	16.54%	19.75%	-3.92%	9.09%	11.59%	7.42%
Average annual return 2 year	38.91%	-3.98%	7.24%	62.81%	7.41%	18.08%	28.64%	19.61%	20.72%	-5.12%	12.75%	N/A	3.55%	8.25%	8.97%	N/A
Average annual return 3 year	50.49%	4.94%	12.05%	35.42%	10.45%	18.64%	16.72%	15.99%	N/A	0.15%	10.95%	N/A	4.49%	N/A	5.49%	N/A
PORTFOLIO COMPOSITION - (%)																
Percentage of Net Assets as at 30 June:																
Bank Balances	9.64%	0.00%	0.00%	15.39%	0.00%	0.00%	15.87%	22.92%	19.76%	17.46%	13.27%	21.12%	16.88%	31.08%	40.66%	17.08%
GoP Ijarah Sukuks	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.61%	0.00%	0.00%	14.16%	0.00%	0.00%	2.29%	49.25%
Certificate of Modaraba	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.63%	0.00%	6.14%	0.00%
TFC / Sukuks	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	74.02%	43.79%	0.00%	83.44%	60.94%	14.01%	66.83%	20.53%	31.94%
Stock/Equities	86.97%	0.00%	0.00%	70.50%	0.00%	0.00%	82.69%	0.00%	0.00%	77.24%	0.00%	0.00%	61.11%	0.00%	27.81%	0.00%
Others	3.39%	0.00%	0.00%	14.11%	0.00%	0.00%	1.44%	3.06%	1.84%	5.31%	3.29%	3.78%	2.37%	2.09%	2.57%	1.73%

Note:

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

The Launch date of the Islamic Asset Allocation Fund Plan I is July 13, 2020. On June 20, 2025, the fund has been ceased to zero.

The Launch date of the Islamic Asset Allocation Fund Plan II is August 05, 2022. On June 27, 2025, the fund has been ceased to zero.

Disclaimer:

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

Summary of Actual Proxy voted by CIS

HBL I F	Meetings	Resolutions	For	Against
Number	3	6	6	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Abbott Laboratories (Pakistan) Ltd	4/30/2026	
Adamjee Insurance Company Limited	4/28/2026	
AGP LIMITED	4/20/2026	29-Jun-26
Aisha Steel Mills Limited		
AT-TAHUR LIMITED		
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
BF Biosciences Limited		
Blue-Ex Limited		
Cherat Cement Company Ltd	10/9/2025	
Citi Pharma Ltd.		
DG Khan Cement Co Ltd		
Engro Fertilizer Limited	3/25/2026	
Engro Holding Limited	4/28/2026	
Faysal Bank Limited		5/12/2026
Fatima Fertilizer Company Ltd	4/17/2026	18-Dec-25
Fauji Cement Company Ltd	9/30/2025	
Fauji Fertilizer Company Ltd	16-Mar-26	8-Dec-25
GHANDHARA AUTOMOBILES LIMITED		
Ghandhara Industries Limited		
Ghani Chemical Industries Limited		
GLAXOSMITHKLINE PAKISTAN LIMITED	4/30/2026	
Haleon Pakistan Limited	4/28/2026	
Highnoon Laboratories Ltd	4/30/2026	
Hum Network Limited		
International Industries Ltd	9/26/2025	18-Jun-26
International Steels Limited	9/24/2025	
K-ELECTRIC LIMITED	11/11/2025	25-03-26 2-4-26
LUCKY CEMENT LTD	9/26/2025	
Maple Leaf Cement Ltd.	10/16/2025	31-Dec-25
Mari Energies Limited	9/26/2025	22-Mar-26
Meezan Bank Ltd		
Mughal Iron		
NATIONAL REFINERY LTD	9/30/2025	
Nishat Chunian Power Limited		13-Aug-25
NISHAT MILLS LIMITED		31-Mar-26
Nishat Power Limited		13-Aug-25
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
Pakistan Intl. Bulk Terminal Ltd.	23-Oct-25	
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan Reinsurance Company Limited	4/30/2026	
Pakistan State Oil Company Ltd	10/24/2025	
Pakistan Stock Exchange Limited		
PAKISTAN TELECOMMUNICATION COMPANY		20-Nov-25
Pakistan Tobacco Company Limited	4/28/2026	
Pioneer Cement Co Limited		31-Mar-26
Service Ind.Ltd	4/29/2026	
SHIFA INTERNATIONAL HOSPITAL LTD	10/24/2025	1-Apr-26
SUI NORTHERN GAS PIPELINES LIMITED	11/27/2025	
SUI SOUTHERN GAS COMPANY LIMITED	11/27/2025	23-Dec-25
Systems Limited	11-05-2026 28/04/2026	27-Feb-26
Thatta Cement Company Limited	10/7/2025	
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Searle Comp		12-Jun-26
TPL Corp Limited	12/30/2025	23-Apr-26
TPL Properties Limited.	12/29/2025	
TPL TRAKKER LIMITED	11/27/2025	
TRG Pakistan Limited		
United Bank Limited	3/26/2026	

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 ISLAMIC ASSET ALLOCATION FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Asset Allocation Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 Securities & Exchange Commission of Pakistan 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 Akbey
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

HBL ASSET MANAGEMENT

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Asset Allocation Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 27, 2026

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLIAAF/633

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Asset Allocation Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Asset Allocation Fund booked charity amounting to PKR 1,035,588/-.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU Shahrah-e-Faisal
Karachi 75350
Pakistan

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Islamic Asset Allocation Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Islamic Asset Allocation Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement 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, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Management Company) 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 Matter

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

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 532.791 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained independent confirmations from the Central Depository Company of Pakistan Limited for verifying the existence of the listed equity investments portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

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

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 the 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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, 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**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2026
UDIN: AR202610057fkRmlaz6c

HBL ISLAMIC ASSET ALLOCATION FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026				2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
		---------- (Rupees in '000) ----------							
ASSETS									
Bank balances	4	**66,130**	-	-	**66,130**	338,454	3,228	3,291	344,973
Investments	5	**532,751**	-	-	**532,751**	656,864	-	-	656,864
Profit and dividend receivable	6	**934**	-	-	**934**	286	155	19	460
Advances, deposits and other receivables	8	**3,241**	-	-	**3,241**	3,184	100	100	3,384
Total assets		**603,056**	-	-	**603,056**	998,788	3,483	3,410	1,005,681
LIABILITIES									
Payable to the Management Company	9	**1,580**	-	-	**1,580**	1,843	273	2,918	5,034
Payable to the Trustee	10	**109**	-	-	**109**	112	2	30	144
Payable to SECP	11	**45**	-	-	**45**	43	2	33	78
Dividend payable		**62**	-	-	**62**	62	-	-	62
Accrued expenses and other liabilities	12	**4,144**	-	-	**4,144**	8,969	671	429	10,069
Payable against redemption of units		-	-	-	-	12,060	2,535	-	14,595
Payable against purchase of investment		-	-	-	-	69,180	-	-	69,180
Total liabilities		**5,940**	-	-	**5,940**	92,269	3,483	3,410	99,162
NET ASSETS		**597,116**	-	-	**597,116**	906,519	-	-	906,519
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**597,116**	-	-		906,519	-	-	
CONTINGENCIES AND COMMITMENTS	13								
		---------- (Number of units) ----------							
NUMBER OF UNITS IN ISSUE	14	**1,833,613**	-	-		3,579,466	-	-	
		---------- (Rupees) ----------							
NET ASSETS VALUE PER UNIT	3.8	**325.6498**	-	-		253.2553	-	-	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC ASSET ALLOCATION FUND
Income Statement
For the year ended June 30, 2026

	Note	2026				2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
		(Rupees in '000)							
INCOME									
Capital gain on sale of investments - net		**73,743**	-	-	**73,743**	182,853	3,878	17,248	203,979
Dividend income		**14,897**	-	-	**14,897**	19,029	-	-	19,029
Profit / return on investments		-	-	-	-	-	33,529	77,373	110,902
Profit on bank deposits		**7,055**	-	-	**7,055**	10,689	20,409	5,548	36,646
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.2	**53,274**	-	-	**53,274**	81,174	-	-	81,174
		148,969	-	-	**148,969**	293,745	57,816	100,169	451,730
EXPENSES									
Remuneration of the Management Company	9.1	**14,775**	-	-	**14,775**	15,184	1,696	4,069	20,949
Sindh sales tax on remuneration of the Management Company	9.2	**2,216**	-	-	**2,216**	2,278	254	610	3,142
Remuneration of the Trustee	10.1	**1,075**	-	-	**1,075**	1,012	246	469	1,727
Sindh sales tax on remuneration of the Trustee	10.2	**161**	-	-	**161**	152	37	70	259
SECP fee	11.1	**510**	-	-	**510**	478	312	594	1,384
Auditors' remuneration	15	**774**	-	-	**774**	173	272	375	820
Amortisation of preliminary expenses and flotation costs	7.1	-	-	-	-	-	43	-	43
Settlement and bank charges		**556**	-	-	**556**	528	534	323	1,385
Fees and subscription		**256**	-	-	**256**	86	265	234	585
Securities transaction costs		**3,692**	-	-	**3,692**	4,266	163	-	4,429
Printing charges		-	-	-	-	66	67	40	173
Charity expense	12.2	**555**	-	-	**555**	2,735	-	-	2,735
Shariah advisory fee		**391**	-	-	**391**	82	117	135	334
Provision against non-performing securities		-	-	-	-	-	17,952	-	17,952
Other expenses		-	-	-	-	-	1,372	-	1,372
		24,961	-	-	**24,961**	27,040	23,330	6,919	57,289
Net income for the year before taxation		**124,008**	-	-	**124,008**	266,705	34,486	93,250	394,441
Taxation	16	-	-	-	-	-	-	-	-
Net income for the year after taxation		**124,008**	-	-	**124,008**	266,705	34,486	93,250	394,441
Allocation of net income for the year after taxation									
Net income for the year after taxation		**124,008**	-	-		266,705	34,486	93,250	
Income already paid on units redeemed		**(124,008)**	-	-		(177,924)	(34,486)	(93,250)	
Accounting income available for distribution		-	-	-		88,781	-	-	
Accounting income available for distribution:									
- Relating to capital gains		-	-	-		87,890	-	-	
- Excluding capital gains		-	-	-		891	-	-	
		-	-	-		88,781	-	-	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC ASSET ALLOCATION FUND
Statement of Other Comprehensive Income
For the year ended June 30, 2026

	2026				2025			
	Islamic Asset Allocation Fund	**Islamic Asset Allocation Fund Plan 1**	**Islamic Asset Allocation Fund Plan 2**	**Total**	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	---------- (Rupees in '000) ----------							
Net income for the year after taxation	**124,008**	**-**	**-**	**124,008**	266,705	34,486	93,250	394,441
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	**124,008**	**-**	**-**	**124,008**	266,705	34,486	93,250	394,441

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive Officer**	**Director**

HBL ISLAMIC ASSET ALLOCATION FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2026											
	HBL Islamic Asset Allocation Fund			HBL Islamic Asset Allocation Fund Plan 1			HBL Islamic Asset Allocation Fund Plan 2			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)											
Net assets at the beginning of the year	652,645	253,874	906,519	-	-	-	-	-	-	652,645	253,874	906,519
Issuance of 2,909,932 units of HBL Islamic Asset Allocation Fund, Nil units of HBL Islamic Asset Allocation Fund Plan 1, Nil units of HBL Islamic Asset Allocation Fund Plan 2.												
- Capital value	736,956	-	736,956	-	-	-	-	-	-	736,956	-	736,956
- Element of income	122,045	-	122,045	-	-	-	-	-	-	122,045	-	122,045
	859,001	-	859,001	-	-	-	-	-	-	859,001	-	859,001
Redemption of 4,655,785 units of HBL Islamic Asset Allocation Fund, Nil units HBL Islamic Asset Allocation Fund Plan 1, Nil units HBL Islamic Asset Allocation Fund Plan 2.												
- Capital value	(1,179,102)	-	(1,179,102)	-	-	-	-	-	-	(1,179,102)	-	(1,179,102)
- Income already paid during the year	-	(124,008)	(124,008)	-	-	-	-	-	-	-	(124,008)	(124,008)
- Element of income	10,698	-	10,698	-	-	-	-	-	-	10,698	-	10,698
	(1,168,404)	(124,008)	(1,292,412)	-	-	-	-	-	-	(1,168,404)	(124,008)	(1,292,412)
Total comprehensive income for the year	-	124,008	124,008	-	-	-	-	-	-	-	124,008	124,008
Net assets at the end of the year	343,242	253,874	597,116	-	-	-	-	-	-	343,242	253,874	597,116
Undistributed income brought forward												
- Realised income		172,700			-			-			172,700	
- Unrealised income		81,174			-			-			81,174	
		253,874			-			-			253,874	
Accounting income available for distribution												
- Relating to capital gains		-			-			-			-	
- Excluding capital gains		-			-			-			-	
		-			-			-			-	
Distribution during the year		-			-			-			-	
Undistributed income carried forward		253,874			-			-			253,874	
Undistributed income carried forward comprises of:												
- Realised income		200,600			-			-			200,600	
- Unrealised income		53,274			-			-			53,274	
		253,874			-			-			253,874	
		(Rupees)			(Rupees)			(Rupees)				
Net assets value per unit at beginning of the year		253.2553			-			-				
Net assets value per unit at end of the year		325.6498			-			-				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC ASSET ALLOCATION FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2025											
	HBL Islamic Asset Allocation Fund			HBL Islamic Asset Allocation Fund Plan 1			HBL Islamic Asset Allocation Fund Plan 2			Total		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)											
Net assets at the beginning of the year	22,067	170,146	192,213	1,119,012	27,788	1,146,800	593,450	1,994	595,444	1,734,529	199,928	1,934,457
Issuance of 8,558,625 units of HBL Islamic Asset Allocation Fund, 69,464 units of HBL Islamic Asset Allocation Fund Plan 1, Nil units of HBL Islamic Asset Allocation Fund Plan 2.												
- Capital value	1,464,875	-	1,464,875	7,102	-	7,102	-	-	-	1,471,977	-	1,471,977
- Element of income	446,114	-	446,114	398	-	398	-	-	-	446,512	-	446,512
	1,910,989	-	1,910,989	7,500	-	7,500	-	-	-	1,918,489	-	1,918,489
Redemption of 6,102,173 units of HBL Islamic Asset Allocation Fund, 11,285,508 units HBL Islamic Asset Allocation Fund Plan 1, 5,922,233 units HBL Islamic Asset Allocation Fund Plan 2.												
- Capital value	(1,044,434)	-	(1,044,434)	(1,153,903)	-	(1,153,903)	(595,444)	-	(595,444)	(2,793,781)	-	(2,793,781)
- Income already paid during the year	-	(177,924)	(177,924)	-	(34,486)	(34,486)	-	(93,250)	(93,250)	-	(305,660)	(305,660)
- Element of income / (loss)	(235,192)	-	(235,192)	(397)	-	(397)	-	-	-	(235,589)	-	(235,589)
	(1,279,626)	(177,924)	(1,457,550)	(1,154,300)	(34,486)	(1,188,786)	(595,444)	(93,250)	(688,694)	(3,029,370)	(305,660)	(3,335,030)
Total comprehensive income / (loss) for the year	-	266,705	266,705	-	34,486	34,486	-	93,250	93,250	-	394,441	394,441
Final Distribution for the year ended June 30, 2025: Rs. 3.5 per unit declared on June 19, 2025	-	(5,053)	(5,053)	-	-	-	-	-	-	-	(5,053)	(5,053)
Refund of Capital	(785)	-	(785)	-	-	-	-	-	-	(785)	-	(785)
Total distribution	(785)	261,652	260,867	-	34,486	34,486	-	93,250	93,250	(785)	389,388	388,603
Amount adjusted against capital	-	-	-	27,788	(27,788)	-	1,994	(1,994)	-	29,782	(29,782)	-
Net assets at the end of the year	652,645	253,874	906,519	-	-	-	-	-	-	652,645	253,874	906,519
Undistributed income brought forward												
- Realised income		137,291			27,353			-			164,644	
- Unrealised income		32,855			435			1,994			35,284	
		170,146			27,788			1,994			199,928	
Accounting income available for distribution												
- Relating to capital gains		87,890			-			-			87,890	
- Excluding capital gains		891			-			-			891	
		88,781			-			-			88,781	
- Distribution during the year		(5,053)			-			-			(5,053)	
- Amount adjusted against capital		-			(27,788)			(1,994)			(29,782)	
Undistributed income carried forward		253,874			-			-			253,874	
Undistributed income carried forward comprises of:												
- Realised income		172,700			-			-			172,700	
- Unrealised income		81,174			-			-			81,174	
		253,874			-			-			253,874	
		(Rupees)			(Rupees)			(Rupees)				
Net assets value per unit at beginning of the year		171.1578			102.2464			100.5438				
Net assets value per unit at end of the year		253.2553			-			-				

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC ASSET ALLOCATION FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	June 30, 2026				June 30, 2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
Cash flows from operating activities		---------- (Rupees in '000) ----------							
Net income for the year before taxation		**124,008**	**-**	**-**	**124,008**	266,705	34,486	93,250	394,441
Adjustments									
Capital gain on sale of investments - net		**(73,743)**	**-**	**-**	**(73,743)**	(182,853)	(3,878)	(17,248)	(203,979)
Dividend income		**(14,897)**	**-**	**-**	**(14,897)**	(19,029)	-	-	(19,029)
Profit / return on investments		**-**	**-**	**-**	**-**	-	(33,529)	(77,373)	(110,902)
Profit on bank deposits		**(7,055)**	**-**	**-**	**(7,055)**	(10,689)	(20,409)	(5,548)	(36,646)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.2	**(53,274)**	**-**	**-**	**(53,274)**	(81,174)	-	-	(81,174)
Amortisation of preliminary expenses and flotation costs		**-**	**-**	**-**	**-**	-	43	-	43
		(24,961)	**-**	**-**	**(24,961)**	(27,040)	(23,287)	(6,919)	(57,246)
Decrease in assets									
Investments - net		**181,950**	**-**	**-**	**181,950**	(152,605)	853,683	485,199	1,186,277
Advances, deposits and other receivables		**(57)**	**100**	**100**	**143**	397	5,441	-	5,838
		181,893	**100**	**100**	**182,093**	(152,208)	859,124	485,199	1,192,115
(Decrease) / Increase in liabilities									
Payable to the Management Company		**(263)**	**(273)**	**(2,918)**	**(3,454)**	1,420	(128)	2,403	3,695
Payable to the Trustee		**(3)**	**(2)**	**(30)**	**(35)**	77	(78)	(12)	(13)
Payable to SECP		**2**	**(2)**	**(33)**	**(33)**	29	(89)	(14)	(74)
Accrued expenses and other liabilities		**(4,825)**	**(671)**	**(429)**	**(5,925)**	4,540	(63)	26	4,503
Dividend payable		**-**	**-**	**-**	**-**	37	-	-	37
Payable to PIA Holding Company Limited		**-**	**-**	**-**	**-**	-	-	(1,458)	(1,458)
		(5,089)	**(948)**	**(3,410)**	**(9,447)**	6,103	(358)	945	6,690
Net cash generated from operating activities		**151,843**	**(848)**	**(3,310)**	**147,685**	(173,145)	835,479	479,225	1,141,559
Cashflow from investing activities									
Profit received on bank deposits		**6,704**	**155**	**19**	**6,878**	10,865	24,262	7,195	42,322
Dividend income received		**14,897**	**-**	**-**	**14,897**	19,029	-	-	19,029
Profit received on investments		**(297)**	**-**	**-**	**(297)**	-	59,035	86,737	145,772
Profit received on deposits		**-**	**-**	**-**	**-**	-	-	-	-
Net cashflow generated from investing activities		**173,147**	**(693)**	**(3,291)**	**169,163**	(143,251)	918,776	573,157	1,348,682
Cash flows from financing activities									
Proceeds from issuance of units		**859,001**	**-**	**-**	**859,001**	1,910,204	7,500	-	1,917,704
Payment on redemption of units		**(1,304,472)**	**(2,535)**	**-**	**(1,307,007)**	(1,457,550)	(1,186,251)	(688,694)	(3,332,495)
Cash distribution		**-**	**-**	**-**	**-**	(5,053)	-	-	(5,053)
Net cash used in financing activities		**(445,471)**	**(2,535)**	**-**	**(448,006)**	447,601	(1,178,751)	(688,694)	(1,419,844)
Net decrease in cash and cash equivalents		**(272,324)**	**(3,228)**	**(3,291)**	**(278,843)**	304,350	(259,975)	(115,537)	(71,162)
Cash and cash equivalents at beginning of the year	4	**338,454**	**3,228**	**3,291**	**344,973**	34,104	263,203	118,828	416,135
Cash and cash equivalents at end of the year		**66,130**	**-**	**-**	**66,130**	338,454	3,228	3,291	344,973

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Islamic Asset Allocation Fund (the Fund) was established under a Trust Deed, dated September 07, 2015, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on October 28, 2015.

1.2 The Fund is an open ended mutual fund and offers units for public subscription on a continuous basis. The fund comprises of the original fund and sub-funds, namely Plan 1 and Plan 2 which shall be perpetual. The initial public offer period for IAAF was from January 07, 2016 to January 08, 2016 (both days inclusive) and the initial public offer period for IAAF Plan 1 was from the start of banking hours from July 13, 2020 to the closure of banking hours on July 13, 2020 and the initial public offer period for IAAF Plan 2 was from the start of banking hours from August 04, 2022 to the closure of banking hours on August 04, 2022. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited (PSX).

1.3 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trusts Act. Accordingly, on September 08, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trusts Act.

1.4 HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.

1.5 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.6 The primary objective of the Fund is to provide superior returns through investments in Shari'ah Compliant Equity Securities and Shari'ah Compliant Income / Money Market Instruments.

1.7 VIS Credit Rating Company has reaffirmed a management quality rating to 'AM1' (Stable outlook) of the Management Company on December 31, 2025.

1.8 Title to the assets of the Fund are 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. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Act 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).

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

2.2 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. This amendment is not relevant to the Fund's operations.

- 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

2.3 Standards 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 standards and 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 except those mentioned in note 2.3.1.

	Effective from accounting period beginning on or after
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Classification And Measurement of Financial Instruments	January 01, 2026
- Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- IFRS 17 – 'Insurance Contracts' (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- IFRS 18 – 'Presentation and Disclosures in Financial Statements'	January 01, 2027
- IFRS 19 – 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

2.3.1 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

- IFRS 1 – 'First Time Adoption of International Financial Reporting Standards'
- IFRS 20 – 'Regulatory Assets and Regulatory 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 estimates, judgments 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, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

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

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.3)
- Taxation (notes 3.4 and 15)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 12)

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

2.5 Functional and presentation currency

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

2.6 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial instruments

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

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

3.1.1 Financial assets

3.1.1.1 Classification and measurement of financial assets

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

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

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

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income (FVOCI) 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 FVOCI 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 other comprehensive income.

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 FVOCI are classified as at fair value through profit or loss (FVTPL). Financial assets at FVTPL are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the Income statement.

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

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

Financial assets at amortised cost (debt instruments)

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

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

For debt instruments at fair value through other comprehensive income (FVOCI), mark-up income 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 other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to the Income statement.

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

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

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

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

Basis of valuation of government debt securities:

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 PSX are valued at revaluation rates disseminated by 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 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 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 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.

3.1.1.5 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 EIR 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 (ITO, 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 ITO, 2001.

3.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors (the Board) of the Management Company. Based on MUFAP's 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.

3.6 Issue and redemption of units

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

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

3.7 Element of Income

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

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

3.9 Revenue recognition

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

3.10 Expenses

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

3.11 Earnings per unit

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

		June 30, 2026				June 30, 2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
4. BANK BALANCES	**Note**	---------- (Rupees in '000) ----------							
Savings account	4.1	**66,130**	**-**	**-**	**66,130**	338,454	3,228	3,291	344,973

4.1 These bank accounts carry profit at rates ranging between 5% to 11.3% per annum (June 30, 2025: 6% to 13.5%). This includes a balance held by Habib Bank Limited, a related party, amounting to Rs. 7.30 million (June 30, 2025: Rs. 184.17 million) in Islamic Asset Allocation Fund, which carries profit at the rate of 11.3% (June 30, 2025: 11.11%) per annum.

		June 30, 2026				June 30, 2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
	Note	---------- (Rupees in '000) ----------							
5. INVESTMENTS									
Investment at fair value through profit or loss									
Listed equity securities	5.1	**532,751**	**-**	**-**	**532,751**	656,864	-	-	656,864

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

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

Name of the Investee Company	As at July 01, 2025	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a of Total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain			
	---------- (Number of shares) ----------					---------- (Rupees in '000') ----------			---------- (%) ----------		
Automobile Assembler											
Ghandhara Industries Limited	-	8,000	-	8,000	-	-	-	-	-	-	-
Ghandhara Automobiles Limited	-	34,500	-	34,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Cable and Electrical Goods											
Pak Elektron Limited	-	372,000	-	262,000	110,000	**6,430**	**5,000**	**(1,430)**	0.94	0.84	0.01
Cement											
Attock Cement Pakistan Limited	93,800	40,000	-	133,800	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	71,300	-	52,497	18,803	**6,637**	**6,505**	**(132)**	1.22	1.09	0.01
Dewan Cement Lmited	-	346,500	-	346,500	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	109,498	22,500	-	131,998	-	-	-	-	-	-	-
Fauji Cement Company Limited	402,000	375,500	-	572,000	205,500	**9,430**	**11,827**	**2,397**	2.22	1.98	0.01
Lucky Cement Limited***	-	88,500	-	33,000	55,500	**22,224**	**26,058**	**3,834**	4.89	4.36	-
Maple Leaf Cement Factory Limited	865,200	532,500	-	1,148,660	249,040	**22,635**	**26,625**	**3,990**	5.00	4.46	0.02
Pioneer Cement Limited	100,549	32,600	-	115,236	17,913	**5,426**	**5,076**	**(350)**	0.95	0.85	0.01
Power Cement Limited	-	440,000	-	330,000	110,000	**1,848**	**2,533**	**685**	0.48	0.42	0.01
						68,200	**78,624**	**10,424**	14.76	13.16	0.06

Name of the Investee Company	As at July 01, 2025	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a of Total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in '000')			(%)		
Chemicals											
Berger Paints Pakistan Limited -		35,332	-	35,332	-	-	-	-	-	-	-
Biafo Industries Limited	52,876	-	-	13,000	39,876	**7,003**	**5,338**	**(1,665)**	1.00	0.89	0.09
Ghani Chemical Industries Limited	-	82,000	-	82,000	-	-	-	-	-	-	-
Ittehad Chemicals Limited	-	28,060	-	28,060	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
						7,003	**5,338**	**(1,665)**	1.00	0.89	0.09
Commercial Banks											
Meezan Bank Limited	-	142,000	-	65,800	76,200	**36,284**	**39,354**	**3,070**	7.39	6.59	-
Engineering											
Aisha Steel Mills Limited	-	353,000	-	353,000	-	-	-	-	-	-	-
International Industries Limited -		11,000	-	11,000	-	-	-	-	-	-	-
International Steels Limited	-	10,700	-	10,700	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	146,472	-	76,472	70,000	**5,735**	**6,133**	**398**	1.15	1.03	0.02
						5,735	**6,133**	**398**	1.15	1.03	0.02
Fertilizer											
Engro Fertilizers Limited	-	32,000	-	32,000	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	56,000	-	8,200	47,800	**7,274**	**7,901**	**627**	1.48	1.32	-
Fauji Fertilizer Company Limited	-	130,000	-	66,900	63,100	**31,418**	**36,187**	**4,769**	6.79	6.06	-
						38,692	**44,088**	**5,396**	8.27	7.38	-
Food and Personal Care Products											
At-Tahur Limited	-	60,000	-	60,000	-	-	-	-	-	-	-
Big Bird Foods Limited	-	125,000	-	-	125,000	**5,659**	**5,754**	**95**	1.08	0.96	0.04
Ghani Dairies Limited****	-	55,000	-	-	55,000	**1,100**	**1,097**	**(3)**	0.21	0.18	0.01
National Foods Limited*	13,500	10,300	-	16,700	7,100	**2,443**	**2,751**	**308**	0.52	0.46	-
						9,202	**9,602**	**400**	1.81	1.60	0.05
Glass and Ceramics											
Tariq Glass Industries Limited	49,000	-	-	36,300	12,700	**3,190**	**2,453**	**(737)**	0.46	0.41	0.01
Investment Banks / Investment Companies / Securities Companies											
Engro Holdings Limited	-	160,300	-	53,000	107,300	**28,912**	**30,872**	**1,960**	5.79	5.17	0.01
Oil and Gas Exploration Companies											
Mari Energies Limited	3,040	31,800	-	7,500	27,340	**19,917**	**18,435**	**(1,482)**	3.46	3.09	-
Oil and Gas Development Company Limited	518,400	262,200	-	579,100	201,500	**51,269**	**67,476**	**16,207**	12.67	11.30	-
Pakistan Petroleum Limited	670,141	400,500	-	817,700	252,941	**49,966**	**61,369**	**11,403**	11.52	10.28	0.01
						121,152	**147,280**	**26,128**	27.65	24.67	0.01
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	344,403	123,700	-	421,800	46,303	**18,411**	**15,852**	**(2,559)**	2.98	2.65	0.01
Sui Northern Gas Pipelines Limited	155,500	97,512	-	156,000	97,012	**11,572**	**11,732**	**160**	2.20	1.96	0.02
Sui Southern Gas Company Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
						29,983	**27,584**	**(2,399)**	5.18	4.61	0.03
Paper and Board											
Century Paper and Board Mills Limited	-	80,000	-	-	80,000	**3,181**	**2,390**	**(791)**	0.45	0.40	0.02
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	13,100	-	-	9,118	3,982	**3,871**	**3,920**	**49**	0.74	0.66	-
AGP Limited	59,570	55,900	-	92,100	23,370	**4,809**	**4,822**	**13**	0.91	0.81	0.01
Citi Pharma Limited	-	50,000	-	50,000	-	-	-	-	-	-	-
Ferozsons Laboratories Limited -		7,000	-	-	7,000	**3,022**	**2,822**	**(200)**	0.53	0.47	0.02
Glaxosmithkline Pakistan Limited	28,400	3,000	-	20,900	10,500	**4,118**	**3,888**	**(230)**	0.73	0.65	-
Haleon Pakistan Limited	6,368	4,600	-	5,750	5,218	**4,460**	**4,202**	**(258)**	0.79	0.70	-
Highnoon Laboratories Limited	11,700	4,800	-	7,605	8,895	**9,037**	**8,919**	**(118)**	1.67	1.49	0.02
The Searle Company Limited	1,333	147,500	11,824	131,324	29,333	**2,443**	**2,773**	**330**	0.52	0.46	0.01
						31,760	**31,346**	**(414)**	5.89	5.24	0.06

Name of the Investee Company	As at July 01, 2025	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a of Total investments	Market value as a percentage of net assets	Par value as a percentage of issued capital of the investee company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in '000')			(%)		
Power Generation and Distribution											
K-Electric Limited**	2,491,415	1,530,000	-	2,665,000	1,356,415	**8,320**	**11,584**	**3,264**	2.17	1.94	-
The Hub Power Company Limited	34,000	105,000	-	50,000	89,000	**17,873**	**20,777**	**2,904**	3.90	3.48	0.01
						26,193	**32,361**	**6,168**	6.07	5.42	0.01
Property											
TPL Properties Limited	-	3,000,000	-	3,000,000	-	**-**	**-**	**-**	-	-	-
Refinery											
Attock Refinery Limited	7,300	53,824	-	43,000	18,124	**14,888**	**15,418**	**530**	2.89	2.58	0.02
National Refinery Limited	-	13,700	-	13,700	-	**-**	**-**	**-**	-	-	-
Pakistan Refinery Limited	-	490,000	-	-	490,000	**15,074**	**17,478**	**2,404**	3.28	2.93	0.08
						29,962	**32,896**	**2,934**	6.17	5.51	0.10
Technology and Communications											
Pakistan Telecommunication Company Limited	-	461,000	-	316,000	145,000	**8,130**	**9,500**	**1,370**	1.78	1.59	-
Systems Limited***	64,000	40,000	-	68,000	36,000	**4,492**	**5,295**	**803**	0.99	0.89	-
TPL Trakker Limited	513,500	-	-	513,500	-	**-**	**-**	**-**	-	-	-
						12,622	**14,795**	**2,173**	2.77	2.48	-
Textile Composite											
Interloop Limited	-	80,935	-	-	80,935	**7,248**	**8,702**	**1,454**	1.63	1.46	0.01
Nishat Mills Limited	-	64,000	-	12,000	52,000	**9,379**	**8,209**	**(1,170)**	1.54	1.37	0.01
						16,627	**16,911**	**284**	3.17	2.83	0.02
Transport											
Pakistan International Bulk Terminal Limited	-	403,500	-	103,500	300,000	**4,349**	**5,724**	**1,375**	1.07	0.96	0.02
Miscellaneous											
Shifa International Hospital Limited	10,993	-	-	10,993	-	**-**	**-**	**-**	-	-	-
As at June 30, 2026						**479,477**	**532,751**	**53,274**			
As at June 30, 2025						575,690	656,864	81,174			

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

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

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

****These have a face Value of Re. 1 per share

5.1.1 These investments include gross bonus shares as per Fund's entitlement declared by the investee company. Previously due to amendments brought by the Finance Act, 2014 in the ITO, 2001, the bonus shares received by the shareholders were to be treated as income and a tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax was to be collected at source by the investee company which was considered as final discharge of tax liability on such income. The Management Company of the Fund jointly with other asset management companies and MUFAP, filed a petition in Sindh High Court (SHC) to declare the amendments brought in ITO, 2001 with reference to tax on bonus shares for CISs 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 ITO, 2001. The SHC granted stay order till the final outcome of the case. However, the investee company(s) had already withheld the shares (from Tax Year 2014 to Tax Year 2018) equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 2.348 million at June 30, 2026 (2025: Rs. 2.213 million) and not yet deposited on CDC account of department of Income tax while during the period no tax on bonus shares is being withheld by the investee company(s) due to the amendments brought by the Finance Act, 2018 in the ITO, 2001 which excluded the requirement of tax on bonus shares. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

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

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

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

Further, through the Finance Act, 2023, section 236Z was introduced into the ITO, 2001. Under this section, every company issuing bonus shares is required to withhold 10% of the bonus shares to be issued. During the year ended June 30, 2024, Mari Energies Limited ("Mari") withheld 3,040 shares, representing 10% of the bonus shares issued by Mari, in compliance with section 236Z of ITO, 2001. On September 30, 2024, the Management Company, together with other asset management companies, filed Constitutional Petition No. 4747 of 2024 before the Sindh High Court ("SHC"), challenging the applicability of the withholding tax provisions to bonus shares received by collective investment schemes ("CISs"). On the same date, the SHC granted a stay order directing Mari to retain the 10% bonus shares attributable to the Fund and not to liquidate or sell those shares for payment of tax to the income tax authorities until final determination of the matter. The petition remains pending adjudication before the SHC. Management expects a favourable outcome and, accordingly, has recognised the bonus shares on a gross basis at fair value within investments as at the reporting date.

	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	------ (Number of shares) ------		**---------- (Rupees in '000') ----------**	
Mari Energies Limited	**3,040**	3,040	**2,050**	1,906
Pakistan State Oil Company Limited	**503**	503	**172**	190
The Searle Company Limited	**1,333**	1,333	**126**	117
	4,876	4,876	**2,348**	2,213

5.1.2 The below investments include shares with market value aggregating to Rs. 116.071 million (2025: Rs. 111.587 million) which have been pledged with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

Name of investee company	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
	------ (Number of shares) ------		**---------- (Rupees in '000') ----------**	
Abbott Laboratories Pakistan Limited	**1,000**	-	**984**	-
Attock Refinery Limited	**8,000**	-	**6,805**	-
Cherat Cement Company Limited	**6,000**	-	**2,076**	-
Engro Holdings Limited	**17,000**	-	**4,891**	-
Fauji Cement Company Limited	**6,000**	-	**345**	-
Glaxosmithkline Pakistan Limited	**2,000**	-	**741**	-
Lucky Cement Limited	**8,000**	-	**3,756**	-
Maple Leaf Cement Factory Limited	**45,000**	5,000	**4,811**	421
Oil and Gas Development Company Limited	**108,500**	180,700	**36,333**	39,855
Pioneer Cement Limited	**-**	100,000	**-**	22,813
Pakistan Petroleum Limited	**151,500**	285,000	**36,757**	48,498
Pakistan State Oil Company Limited	**45,000**	-	**15,406**	-
Systems Limited	**12,000**	-	**1,765**	-
The Hub Power Company Limited	**6,000**	-	**1,401**	-
	416,000	570,700	**116,071**	111,587

5.2 Unrealised gain on remeasurement of investments at fair value through profit or loss - net	**Note**	**June 30, 2026**				June 30, 2025			
		Islamic Asset Allocation Fund	**Islamic Asset Allocation Fund Plan 1**	**Islamic Asset Allocation Fund Plan 2**	**Total**	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
		---------- (Rupees in '000) ----------							
Market value of investments		**532,751**	**-**	**-**	**532,751**	656,864	-	-	656,864
Less: Carrying value of investments		**479,477**	**-**	**-**	**479,477**	575,690	-	-	575,690
		53,274	**-**	**-**	**53,274**	81,174	-	-	81,174

		Note	June 30, 2026				June 30, 2025			
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
6.	**PROFIT AND DIVIDEND RECEIVABLE**		---------- (Rupees in '000) ----------							
	Profit receivable on savings account	6.1	**637**	**-**	**-**	**637**	286	155	19	460
	Dividend receivable		**297**	**-**	**-**	**297**	-	-	-	-
			934	**-**	**-**	**934**	286	155	19	460

6.1 These include a profit receivable from Habib Bank Limited, a related party, amounting to Rs. 0.17 million (June 30, 2025: Rs. 0.14 million).

		June 30, 2026				June 30, 2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
7.	**PRELIMINARY EXPENSES AND FLOTATION COSTS**	---------- (Rupees in '000) ----------							
	Opening balance	**-**	**-**	**-**	**-**	-	43	-	43
	Less: amortised during the year / period	**-**	**-**	**-**	**-**	-	(43)	-	(43)
	Closing balance	**-**	**-**	**-**	**-**	-	-	-	-

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

		Note	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
8.	**ADVANCES, DEPOSITS AND OTHER RECEIVABLES**		---------- (Rupees in '000) ----------							
	Security deposits with:									
	National Clearing Company of Pakistan Limited (NCCPL)		**2,500**	**-**	**-**	**2,500**	2,500	-	-	2,500
	Central Depository Company of Pakistan Limited - the Trustee		**100**	**-**	**-**	**100**	100	100	100	300
			2,600	**-**	**-**	**2,600**	2,600	100	100	2,800
	Advance tax	8.1	**424**	**-**	**-**	**424**	463	-	-	463
	Prepayment of shariah advisory fee		**98**	**-**	**-**	**98**	-	-	-	-
	Other receivables		**119**	**-**	**-**	**119**	121	-	-	121
			3,241	**-**	**-**	**3,241**	3,184	100	100	3,384

8.1 The income of the Fund is exempt from tax under Clause 99 of Part I of the Second Schedule of the 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, 2026				June 30, 2025			
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
9.	**PAYABLE TO THE MANAGEMENT COMPANY**		---------- (Rupees in '000) ----------							
	Management remuneration payable	9.1	**1,301**	**-**	**-**	**1,301**	1,359	24	229	1,612
	Sindh sales tax payable on Management remuneration	9.2	**195**	**-**	**-**	**195**	204	4	34	242
	Sales load payable		**84**	**-**	**-**	**84**	280	-	-	280
	Payable to the Management Company		**-**	**-**	**-**	**-**	-	-	2,500	2,500
	Formation cost payable		**-**	**-**	**-**	**-**	-	245	155	400
			1,580	**-**	**-**	**1,580**	1,843	273	2,918	5,034

9.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for hybrid schemes is subject to a weighted average cap determined based on the respective allocation of net assets to each asset class, effective from July 1, 2025. Accordingly, based on the Fund's asset allocation between equity and other debt instruments, the applicable management fee cap has been computed at 3% per annum. The Management Company has charged management fees at a rate of 2.75% of the Fund's net assets calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

9.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2025: 15%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

			June 30, 2026				June 30, 2025			
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
10.	**PAYABLE TO THE TRUSTEE**	**Note**	---------- (Rupees in '000) ----------							
	Trustee's remuneration	10.1	**95**	**-**	**-**	**95**	97	2	26	125
	Sindh sales tax	10.2	**14**	**-**	**-**	**14**	15	-	4	19
			109	**-**	**-**	**109**	112	2	30	144

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

10.2 The Sindh Provincial Government has levied Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

			June 30, 2026				June 30, 2025			
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
11.	**PAYABLE TO SECP**	**Note**	---------- (Rupees in '000) ----------							
	SECP fee payable	11.1	**45**	**-**	**-**	**45**	43	2	33	78

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

			June 30, 2026				June 30, 2025			
			Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
12.	**ACCRUED EXPENSES AND OTHER LIABILITIES**	**Note**	---------- (Rupees in '000) ----------							
	Withholding tax payable		**232**	**-**	**-**	**232**	3,979	-	7	3,986
	Provision for Federal excise duty (FED)	12.1	**1,063**	**-**	**-**	**1,063**	1,063	-	-	1,063
	Charity payable	12.2	**555**	**-**	**-**	**555**	2,735	-	-	2,735
	Payable to brokers		**1,247**	**-**	**-**	**1,247**	776	-	-	776
	Zakat payable		**279**	**-**	**-**	**279**	270	-	-	270
	Auditors' remuneration payable		**618**	**-**	**-**	**618**	70	232	189	491
	Payable to NCCPL		**1**	**-**	**-**	**1**	30	163	29	222
	Payable to Shariah advisor		**-**	**-**	**-**	**-**	5	3	13	21
	Other payable		**149**	**-**	**-**	**149**	41	273	191	505
			4,144	**-**	**-**	**4,144**	8,969	671	429	10,069

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 CISs through their trustees, challenging the levy of FED.

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

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent,has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 1.063 million (June 30, 2025: Rs. 1.063 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Re. 0.580 per unit (June 30, 2025: Re. 0.297 per unit).

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

13. CONTINGENCIES AND COMMITMENTS

Other than already disclosed in these financial statements, there are no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

		June 30, 2026				June 30, 2025			
		Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2	Total
14.	**NUMBER OF UNITS IN ISSUE**	**Note**	---------- (Rupees in '000) ----------						
	Movement during the year								
	Total units in issue at the beginning	**3,579,466**	**-**	**-**	**3,579,466**	1,123,014	11,216,044	5,922,233	18,261,291
	Add: Units issued	**2,909,932**	**-**	**-**	**2,909,932**	8,558,625	69,464	-	8,628,090
	Less: Units redeemed	**4,655,785**	**-**	**-**	**4,655,785**	6,102,173	11,285,508	5,922,233	23,309,914
	Total units in issue at the end	**1,833,613**	**-**	**-**	**1,833,613**	3,579,466	-	-	3,579,466
15.	**AUDITORS' REMUNERATION**								
	Annual audit fee	**379**	**-**	**-**	**379**	85	133	183	401
	Fee for half yearly review	**156**	**-**	**-**	**156**	35	55	75	165
	Other certifications	**128**	**-**	**-**	**128**	28	45	63	136
	Out of pocket expenses	**54**	**-**	**-**	**54**	12	19	26	57
		717	**-**	**-**	**717**	160	252	347	759
	Sindh sales tax	**57**	**-**	**-**	**57**	13	20	28	61
		774	**-**	**-**	**774**	173	272	375	820

16. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, 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. 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 ITO, 2001.

Since the management 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

HBL Islamic Asset Allocation

The Total Expense Ratio of the Fund based on the current year results is 4.54% (2025: 4.81%), which includes 0.62% (2025: 0.69%) representing government levy, SECP fee, and other related charges. However, pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum Total Expense Ratio limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

HBL Islamic Asset Allocation Plan I

The Total Expense Ratio of the Fund based on the current year results is Nil (2025: 1.08%), which includes Nil (2025: 0.19%) representing government levy, SECP fee, and other related charges. However, pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum Total Expense Ratio limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

HBL Islamic Asset Allocation Plan II

The Total Expense Ratio of the Fund based on the current year results is Nil (2025: 1.05%), which includes Nil (2025: 0.20%) representing government levy, SECP fee, and other related charges. However, pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum Total Expense Ratio limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

18. TRANSACTIONS 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 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) 10% or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

Details of the transactions with connected persons / related parties and balances with them are as follows:

		June 30, 2026			June 30, 2025		
		Islamic Asset Allocation Fund	**Islamic Asset Allocation Fund Plan 1**	**Islamic Asset Allocation Fund Plan 2**	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
18.1	**Transactions during the year**	---------- (Rupees in '000) ----------					
	HBL Asset Management Limited						
	- Management Company						
	Management fee	**14,775**	**-**	**-**	15,184	1,696	4,069
	Sindh Sales Tax	**2,216**	**-**	**-**	2,278	254	610
	Formation cost	-	**-**	**-**	-	43	-
	Issuance of 296,144 units (2025: Nil units)	**75,000**	**-**	**-**	-	-	-
	Redemption of 311,089 units (2025: 19,884 units)	**80,610**	**-**	**-**	5,000	-	-
	Dividend of Nil units (2025: 413 units) - net	**-**	**-**	**-**	120	-	-
	Amount received from Management Company against issuance to unitholders*	**-**	**-**	**-**	49	-	-
	Habib Bank Limited - Sponsor						
	Bank charges	**23**	**-**	**-**	-	-	-
	Profit earned during the period	**1,432**	**-**	**-**	1,203	-	-
	Central Depository Company of Pakistan Limited - Trustee						
	Remuneration	**1,075**	**-**	**-**	1,012	246	469
	Sindh Sales Tax	**161**	**-**	**-**	152	37	70
	Central Depository service charges	**170**	**-**	**-**	95	8	2
	HBL Asset Management Limited						
	- Employees Gratuity Fund - Associate						
	Dividend of Nil units (2025: 74 units)	**18**	**-**	**-**	18	-	-

	June 30, 2026			June 30, 2025		
	Islamic Asset Allocation Fund	**Islamic Asset Allocation Fund Plan 1**	**Islamic Asset Allocation Fund Plan 2**	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
	---------- (Rupees in '000) ----------					
HBL Asset Management Limited - Employees Provident Fund - Associate						
Dividend of Nil units (2025: 214 units)	-	-	-	53	-	-
PAK QATAR Investment Account						
Redemption of Nil units (2025:7,934,444 units)	-	-	-	-	841,250	-
PAK QATAR Individual Family Participant Investment Fund						
Redemption of Nil units (2025: 3,281,597 units)	-	-	-	-	340,035	-
Dawood Family Takaful Limited - Aggressive Fund						
Redemption of Nil units (2025: 771,116 units)	-	-	-	-	-	89,342
Dawood Family Takaful Limited - Balance Fund						
Redemption of Nil units (2025: 2,678,579 units)	-	-	-	-	-	313,742
Dawood Family Takaful Limited - Income Fund						
Redemption of Nil units (2025: 1,785,719 units)	-	-	-	-	-	206,376
Dawood Family Takaful Limited						
Redemption of Nil units (2025: 686,819 units)	-	-	-	-	-	79,231
Director, Executives and Key Management Personal						
Issuance of 314,925 units (2025: 114,519 units)	**80,650**	-	-	27,420	-	-
Redemption of 25,502 units (2025: 115,511 units)	**7,382**	-	-	25,488	-	-

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 SECP.

		June 30, 2026			June 30, 2025		
		Islamic Asset Allocation Fund	**Islamic Asset Allocation Fund Plan 1**	**Islamic Asset Allocation Fund Plan 2**	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
18.2	**Amounts outstanding as at year end**	---------- (Rupees in '000) ----------					
	HBL Asset Management Limited - Management Company						
	Management fee	**1,301**	-	-	1,359	24	229
	Sindh Sales Tax	**195**	-	-	204	4	34
	Sales load payable	**84**	-	-	280	-	-
	Formation cost payable	-	-	-	-	245	155
	Payable to Management Company	-	-	-	-	-	2,500
	Investment held in the fund Nil units (June 30, 2025: 14,945 units)	-	-	-	8,716	-	-
	Habib Bank Limited - Sponsor						
	Bank balances	**7,300**	-	-	184,170	-	-
	Profit accrued on deposits	**169**	-	-	136	-	-

	June 30, 2026			June 30, 2025		
	Islamic Asset Allocation Fund	**Islamic Asset Allocation Fund Plan 1**	**Islamic Asset Allocation Fund Plan 2**	Islamic Asset Allocation Fund	Islamic Asset Allocation Fund Plan 1	Islamic Asset Allocation Fund Plan 2
	---------- (Rupees in '000) ----------					
HBL Asset Management Limited - Employees Gratuity Fund - Associate						
Investment held in the Fund: 5,225 units (June 30, 2025: 5,225 units)	**1,702**	-	-	1,323	-	-
HBL Asset Management Limited - Employees Provident Fund - Associate						
Investment held in the Fund: 15,084 units (June 30, 2025: 15,084 units)	**4,912**	-	-	3,820	-	-
Central Depository Company of Pakistan Limited - Trustee						
Remuneration payable	**95**	-	-	97	2	26
Sindh Sales Tax Payable	**14**	-	-	15	-	4
Security Deposit	**100**	-	-	100	100	100
Executives and their relatives						
Investment held in the Fund : 39,623 units (June 30, 2025: 64,756 units)	**12,903**	-	-	16,400	-	-
Connected person due to 10% holding or more						
Tariq Mahmood Malik						
Investment held in the Fund : 195,941 units (June 30, 2025: 195,941 units)	**63,808**	-	-	49,666	-	-

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

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

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

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

Particulars	June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	**532,751**	**-**	**532,751**	**532,751**	**-**	**-**	**532,751**
Financial assets not measured at fair value							
Bank balances	**-**	**66,130**	**66,130**				
Profit and dividend receivable	**-**	**934**	**934**				
Deposits and other receivables	**-**	**2,817**	**2,817**				
	-	**69,881**	**69,881**				
Financial liabilities not measured at fair							
Payable to the Management Company	**-**	**1,385**	**1,385**				
Payable to the Trustee	**-**	**95**	**95**				
Dividend payable	**-**	**62**	**62**				
Accrued expenses and other liabilities	**-**	**2,362**	**2,362**				
	-	**3,904**	**3,904**				

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	656,864	-	656,864	656,864	-	-	656,864
Financial assets not measured at fair value							
Bank balances	-	344,973	344,973				
Profit and dividend receivable	-	460	460				
Deposits and other receivables	-	2,921	2,921				
	-	348,354	348,354				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	4,792	4,792				
Payable to the Trustee	-	125	125				
Payable against redemption of units	-	14,595	14,595				
Payable against purchase of investment	-	69,180	69,180				
Dividend Payable	-	62	62				
Accrued expenses and other liabilities	-	4,612	4,612				
	-	93,366	93,366				

20. FINANCIAL RISK MANAGEMENT

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

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

20.1 Market risk

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

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

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

20.1.1 Currency risk

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

20.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, 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, 2026 details of Fund's interest bearing financial instruments were as follows:

	June 30, 2026	June 30, 2025
	----(Rupees in '000) ----	
Variable rate instrument (financial asset)		
Bank balances	**66,130**	344,973

a) Sensitivity analysis for variable rate instruments

As at June 30, 2026, 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. 0.661 million (June 30, 2025: Rs. 3.450 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, 2026 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, 2026 can be determined as follows:

	June 30, 2026				
		Exposed to yield / interest 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**
On-balance sheet financial instruments	**---- (%) ----**	**---------- (Rupees in '000) ----------**				
Financial assets						
Bank balances	**5 to 11.3**	**66,130**	**-**	**-**	**-**	**66,130**
Investments						
- Listed equity securities		**-**	**-**	**-**	**532,751**	**532,751**
Profit and dividend receivable		**-**	**-**	**-**	**934**	**934**
Deposits and other receivable					**2,817**	**2,817**
		66,130	**-**	**-**	**536,502**	**602,632**

	June 30, 2026					
		Exposed to yield / interest 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 liabilities	**---- (%) ----**	**---------- (Rupees in '000) ----------**				
Payable to the Management Company	**-**	**-**	**-**	**-**	**1,385**	**1,385**
Payable to the Trustee	**-**	**-**	**-**	**-**	**95**	**95**
Dividend payable	**-**	**-**	**-**	**-**	**62**	**62**
Accrued expenses and other liabilities	**-**	**-**	**-**	**-**	**2,362**	**2,362**
	-	**-**	**-**	**-**	**3,904**	**3,904**

		June 30, 2025					
			Exposed to yield / interest 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
On-balance sheet financial instruments		---- (%) ----	---------- (Rupees in '000) ----------				
Financial assets							
Bank balances	6 to 13.5	344,973	-	-	-	344,973	
Investments						-	
- Listed equity securities		-	-	-	656,864	656,864	
Profit and dividend receivable		-	-	-	460	460	
Deposits and other receivable		-	-	-	2,921	2,921	
		344,973	-	-	660,245	1,005,218	
Financial liabilities							
Payable to the Management Company		-	-	-	4,792	4,792	
Payable to the Trustee		-	-	-	125	125	
Payable to PIA Holding Company Limited		-	-	-	14,595	14,595	
Payable against purchase of investment		-	-	-	69,180	69,180	
Dividend payable		-	-	-	62	62	
Accrued expenses and other liabilities		-	-	-	4,612	4,612	
		-	-	-	93,366	93,366	

20.1.3 Price risk

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

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as Financial Asset at 'fair value through profit or loss'. To manage it's price risk arising from investments in equity securities, the Fund diversifies it's 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 26.638 million (June 30, 2025: Rs 32.843 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

20.2 Credit risk

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

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

Credit risk from bank balances and financial institutions is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board. 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, 2026		June 30, 2025	
		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
	Note	---------- (Rupees in '000) ----------			
Bank balances	4	**66,130**	**66,130**	344,973	344,973
Investments	5	**532,751**	**-**	656,864	-
Profit and dividend receivable	6	**934**	**934**	460	460
Deposits and other receivable	8	**2,817**	**2,817**	2,921	2,921
		602,632	**69,881**	1,005,218	348,354

20.2.1 The analysis below summarises the credit quality of the Fund's bank balances and Investments as at June 30, 2026 and June 30, 2025:

Bank balances by rating category **Name of bank**	**Amount (Rupees in '000)**	**Rating**	**Rating Agency**
BankIslami Pakistan Limited	**1,507**	**AA-**	**PACRA**
Askari Bank Limited	**15**	**AAA**	**PACRA**
Dubai Islamic Bank Pakistam Limited	**21,967**	**AA**	**VIS**
Al Baraka Bank (Pakistan) Limited	**34,089**	**AA-**	**VIS**
Allied Bank Limited	**9**	**AAA**	**PACRA**
Bank Al Habib Limited	**93**	**AAA**	**PACRA**
Bank Alfalah Limited	**983**	**AAA**	**PACRA**
Habib Bank Limited	**7,300**	**AAA**	**VIS**
□□□}□v□□□o□□□|□]□□□□□□□v	**4**	**AAA**	**PACRA**
Soneri Bank Limited	**88**	**AA**	**PACRA**
The Bank of Khyber Limited	**2**	**AA-**	**VIS**
U-Micro Finance Bank Limited	**10**	**A+**	**PACRA**
Habib Metropolitan Bank Limited	**6**	**AAA**	**PACRA**
MCB Bank Limited	**57**	**AAA**	**PACRA**
	66,130		

	Amount (Rupees in '000)	Rating	Rating Agency
Bank balances by rating category			
Habib Bank Limited	184,170	AAA	VIS
Bank Al Habib Limited	8,427	AAA	PACRA
National Bank Limited	256	AAA	PACRA
Allied Bank Limited	2,166	AAA	PACRA
Askari Bank Limited	15	AA	PACRA
Habib Metropolitan Bank Limited	6	AA+	PACRA
Dubai Islamic Bank Pakistam Limited	74,194	AA	VIS
Soneri Bank Limited	70	AA-	PACRA
BankIslami Pakistan Limited	1,633	AA-	PACRA
The Bank of Khyber Limited	2	AA-	VIS
Al Baraka Bank (Pakistan) Limited	73,698	AA-	VIS
MCB Bank Limited	57	AAA	PACRA
U-Micro Finance Bank Limited	19	A+	PACRA
Bank Alfalah Limited	11	AAA	PACRA
Faysal Bank Limited	238	AA	PACRA
Meezan Bank Limited	11	AAA	VIS
	344,973		

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's concentration risk is mainly bank balances while the remaining transactions are entered into with diverse counterparties thereby mitigating any significant concentration of credit risk to counterparties.

Settlement risk

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

20.3 Liquidity risk

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

Units of the Fund are redeemable on demand at the 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, 2026					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
Financial assets	**Note**	---------- (Rupees in '000) ----------					
Bank balances	4	**66,130**	**-**	**-**	**-**	**-**	**66,130**
Investments	5	**532,751**	**-**	**-**	**-**	**-**	**532,751**
Profit and dividend receivable	6	**934**	**-**	**-**	**-**	**-**	**934**
Deposits and other receivable	8	**2,817**	**-**	**-**	**-**	**-**	**2,817**
		602,632	**-**	**-**	**-**	**-**	**602,632**
Financial liabilities							
Payable to the Management Company	9	**1,385**	**-**	**-**	**-**	**-**	**1,385**
Payable to the Trustee	10	**95**	**-**	**-**	**-**	**-**	**95**
Dividend payable		**62**	**-**	**-**	**-**	**-**	**62**
Accrued expenses and other liabilities	12	**2,362**	**-**	**-**	**-**	**-**	**2,362**
		3,904	**-**	**-**	**-**	**-**	**3,904**
On-balance sheet gap		**598,728**	**-**	**-**	**-**	**-**	
Total liquidity risk sensitivity gap		**598,728**	**-**	**-**	**-**	**-**	
Cumulative liquidity risk sensitivity gap		**598,728**	**598,728**	**598,728**	**598,728**	**598,728**	

		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
Financial assets		---------- (Rupees in '000) ----------					
Bank balances	4	344,973	-	-	-	-	344,973
Investments	5	656,864	-	-	-	-	656,864
Profit and dividend receivable	6	460	-	-	-	-	460
Deposits and other receivable	8	2,921	-	-	-	-	2,921
		1,005,218	-	-	-	-	1,005,218
Financial liabilities							
Payable to the Management Company	9	4,792	-	-	-	-	4,792
Payable to the Trustee	10	125	-	-	-	-	125
Payable to PIA Holding Company Limited		14,595	-	-	-	-	14,595
Payable against purchase of investment		69,180	-	-	-	-	69,180
Dividend payable		62	-	-	-	-	62
Accrued expenses and other liabilities	12	4,612	-	-	-	-	4,612
		93,366	-	-	-	-	93,366
On-balance sheet gap		911,852	-	-	-	-	911,852
Total liquidity risk sensitivity gap		911,852	-	-	-	-	
Cumulative liquidity risk sensitivity gap		911,852	911,852	911,852	911,852	911,852	

21. UNITS HOLDERS' FUND RISK MANAGEMENT

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

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

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

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

Top ten brokers during the year ended June 30, 2026

1. Sherman Securities (Private) Limited
2. DJM Securities Limited
3. Alpha Capital (Private) Limited
4. Next Capital Limited
5. AKD Securities Limited
6. Intermarket Securities Limited
7. Chase Securities Pakistan
8. JS Global Capital Limited
9. BMA Capital Management
10. Topline Securities Limited

Top ten brokers during the year ended June 30, 2025

1. Intermarket Securities Limited
2. Sherman Securities (Private) Limited
3. Insight Securities (Private) Limited
4. Alpha Capital (Private) Limited
5. Topline Securities Limited
6. Chase Securities Pakistan (Private) Limited

7. Arif Habib Limited

8. Next Capital Limited

9. Ktrade Securities Limited

10. AKD Securities Limited

23. INVESTMENT COMMITTEE

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

24. PATTERN OF UNIT HOLDING

	June 30, 2026			
	Number of unit holders	**Number of units**	**Investment amount**	**Percentage investment**
			(Rupees in '000)	**------- (%) -------**
Islamic Asset Allocation Fund				
Individuals	**1,143**	**1,761,835**	**573,741**	**96.09**
Trust	**1**	**3**	**1**	**-**
Retirement Fund	**4**	**71,775**	**23,374**	**3.91**
	1,148	**1,833,613**	**597,116**	**100.00**

	June 30, 2025			
	Number of unit holders	Number of units	Investment amount	Percentage investment
			(Rupees in '000)	------- (%) -------
Islamic Asset Allocation Fund				
Individuals	733	3,452,572	874,382	96.46
Banking and Financial Institutions	1	14,945	3,786	0.42
Retirement Fund	5	60,490	15,319	1.69
Others	1	51,459	13,032	1.43
	740	3,579,466	906,519	100.00

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

Nine meetings of the Board of Directors were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

Name of Director	**Number of meetings**		**Leaves granted**	**Meetings not attended**
	Held	**Attended**		
1 Mr. Shahid Ghaffar	9	9	-	-
2 Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3 Mr. Khalid Malik	9	9	-	-
4 Mr. Tariq Masaud	9	8	1	October 30, 2025
5 Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 & March 04, 2026

	Name of Director	Number of meetings		Leaves granted	Meetings not attended
		Held	Attended		
6	Mr. Mir Adil Rashid	9	9	-	-
7	Ms. Sheeza Ahmed	9	9	-	-
8	Mr. Irfan Ahmed Meer ***	3	2	1	April 29, 2026
9	Dr. Sahar Awan ***	3	3	-	-
10	Mr. Rayomond H. Kotwal **	6	5	1	December 22, 2025
11	Mr. Habib Yousuf Habib *	3	3	-	-

* Resigned on November 27, 2025.
** Resigned on April 06, 2026.
*** Appointed on April 08, 2026.

26. CORRESPONDING FIGURES

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

27. GENERAL

Figures have been rounded off to the nearest thousand rupees.

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL

ISLAMIC STOCK FUND

FUND INFORMATION

NAME OF FUND	HBL Islamic StockFund
NAME OF AUDITOR	A.F.Ferguson & Co.
NAME OF TRUSTEE	Central Depository of Pakistan Limited
NAME OF SHARIAH ADVISOR	Al - Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Habib Bank Limited Dubai Islamic Bank Limited Bank Islamic Pakistan Limited Bank Al Baraka Limited

FUND MANAGER'S REPORT - HBL ISLAMIC STOCK FUND

Type and Category of Fund

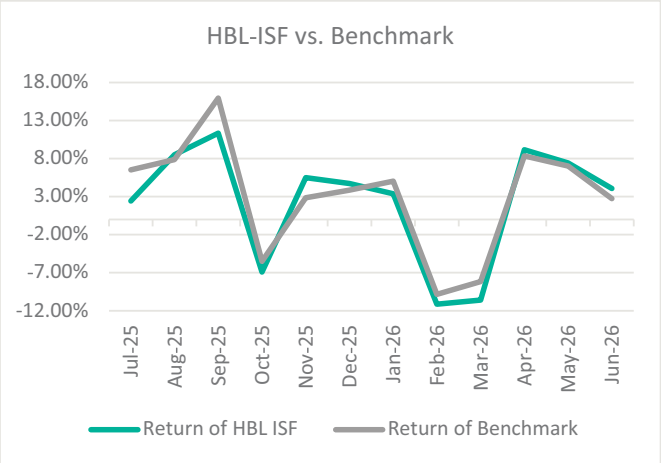
Open end Equity Fund

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

Benchmark and Performance Comparison with Benchmark
The Fund's benchmark is KMI-30 Index.

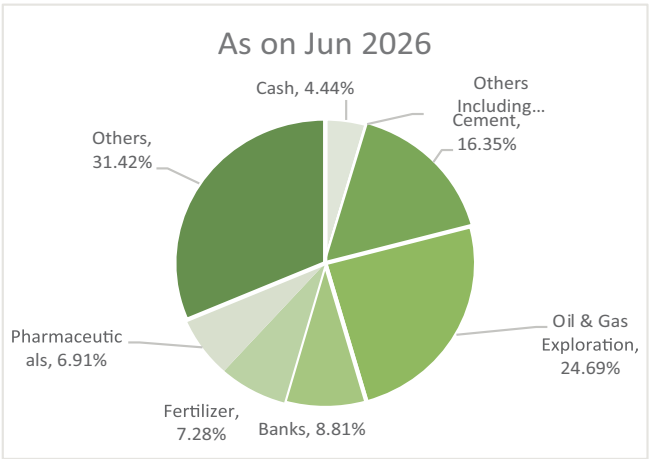
The comparison of the fund return with benchmark is given below:

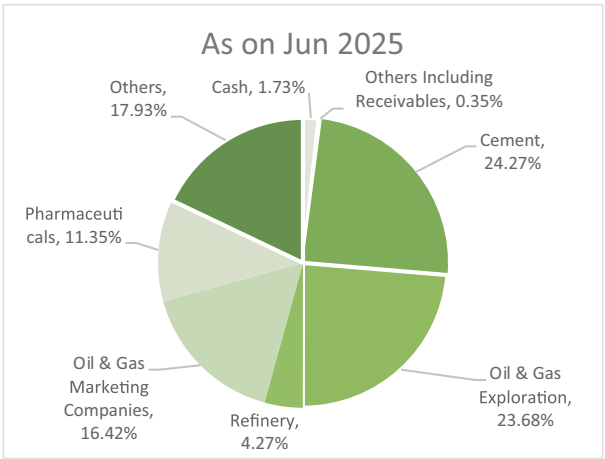
Month	Return of Fund	
	HBL-ISF	Benchmark
Jun-26	4.05%	2.73%
May-26	7.42%	7.01%
Apr-26	9.16%	8.34%
Mar-26	-10.60%	-8.18%
Feb-26	-11.14%	-9.85%
Jan-26	3.37%	5.03%
Dec-25	4.72%	3.85%
Nov-25	5.49%	2.84%
Oct-25	-6.93%	-5.51%
Sept-25	11.35%	15.96%
Aug-25	8.49%	7.85%
Jul-25	2.41%	6.50%



Strategies and Policies employed during the Year
During the year under review, the Fund decreased its exposure in equity from 97.93% of total assets as on June 30, 2025 to 95.46% of total assets as on June 30, 2026. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in oil & gas exploration, commercial banks, fertilizers and others was increased, while exposure in oil and gas marketing, refinery and pharmaceuticals was decreased.

Asset Allocation





Significant Changes in Asset Allocation during the Year

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2026 and June 30, 2025:

Sector Name	As on June 2026	As on Jun 2025
Cash	4.44%	1.73%
Others Including Receivables	0.09%	0.35%
Cement	16.35%	24.27%
Oil & Gas Exploration	24.69%	23.68%
Refinery	0.00%	4.27%
Banks	8.81%	0.00%
Fertilizer	7.28%	0.00%
Oil & Gas Marketing Companies	0.00%	16.42%
Pharmaceuticals	6.91%	11.35%
Others	31.43%	17.93%
Total	**100.00%**	**100.00%**

Fund Performance

The total and net income of the Fund was Rs. 244.36 million and Rs. 180.96 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 264.5845 per unit as on June 30, 2026 as compared to Rs. 207.5929 per unit as on June 30, 2025, thereby giving a return of 27.45% during the year, against the benchmark return (KMI 30 Index) of 39.18%. The size of Fund was Rs. 1.25 billion as on June 30, 2026 as compared to Rs. 0.80 billion at the start of the year.

Review of Market invested in

During FY2026, the benchmark KMI-30 Index posted an impressive gain of 72,440 points (39.20%), closing at 257,327 points. The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KMI All-Share Index rising to 463 million shares (up 26% from 369 million shares in the same period last year). Average daily traded value surged 34% to PKR 28.5 billion, up from PKR 21.13 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution

The Fund as distributed NIL dividend for the year ended June 30, 2026.

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	966	19,325
101 - 500	375	97,088
501 - 1,000	148	107,002
1,001 - 10,000	372	1,185,840
10,001 - 100,000	100	2,720,785
100,001 - 500,000	4	604,589
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**1,965**	**4,734,629**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL ISLAMIC STOCK FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end(Rs'000)	1,252,709	803,956	141,953	158,685	411,039	760,471
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	264.5845	207.5929	133.661	77.9684	88.4322	123.9845
Offer	270.6699	212.3675	136.6817	79.7305	90.4308	126.7865
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	288.6491	220.9885	143.063	94.4487	129.4982	131.925
Lowest offer price per unit	214.1657	129.2092	83.8151	75.0873	110.2125	97.9654
Highest redemption price per unit	282.1594	216.0200	139.9012	92.3613	126.6362	129.0094
Lowest redemption price per unit	209.3506	126.3042	81.9627	73.4278	107.7767	95.8003
RETURN (%)						
Total return	27.45%	55.31%	75.47%	-11.83%	-28.67%	32.38%
Income distribution	0.00%	0.00%	4.04%	0.00%	0.00%	0.00%
Capital growth	27.45%	55.31%	71.43%	-11.83%	-28.67%	32.38%
DISTRIBUTION						
Final dividend distributation- Rs	0	0	3.15	-	-	-
Date of Income Distribution	N/A	N/A	6/28/2024	-	-	-
Total dividend distribution for the year/ period	0	0	3.15	-	-	-
AVERAGE RETURNS (%)						
Average annual return 1 year	27.45%	55.31%	75.47%	-11.83%	-28.67%	32.38%
Average annual return 2 year	40.69%	65.08%	24.38%	-20.70%	-2.83%	16.74%
Average annual return 3 year	51.44%	33.94%	3.34%	-5.93%	-0.94%	3.62%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	4.44%	1.73%	5.52%	9%	3%	5%
GoP Ijarah Sukuks						
Placement with Banks and DFIs						
Corporate Sukuks						
Stock / Equities	95.46%	97.93%	90.99%	85%	95%	94%
Others	0.09%	0.35%	3.49%	6%	2%	1%

Note:
The Launch date of the Fund is May 10, 2011

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

Summary of Actual Proxy voted by CIS

HBL I F	Meetings	Resolutions	For	Against
Number	4	9	9	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Abbott Laboratories (Pakistan) Ltd	4/30/2026	
Adamjee Insurance Company Limited	4/28/2026	
AGP LIMITED	4/20/2026	29-Jun-26
Aisha Steel Mills Limited		
AT-TAHUR LIMITED		
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
BF Biosciences Limited		
Blue-Ex Limited		
Cherat Cement Company Ltd	10/9/2025	
Citi Pharma Ltd.		
DG Khan Cement Co Ltd		
Engro Fertilizer Limited	3/25/2026	
Engro Holding Limited	4/28/2026	
Faysal Bank Limited		5/12/2026
Fatima Fertilizer Company Ltd	4/17/2026	18-Dec-25
Fauji Cement Company Ltd	9/30/2025	
Fauji Fertilizer Company Ltd	16-Mar-26	8-Dec-25
GHANDHARA AUTOMOBILES LIMITED		
Ghandhara Industries Limited		
Ghani Chemical Industries Limited		
GLAXOSMITHKLINE PAKISTAN LIMITED	4/30/2026	
Haleon Pakistan Limited	4/28/2026	
Highnoon Laboratories Ltd	4/30/2026	
Hum Network Limited		
International Industries Ltd	9/26/2025	18-Jun-26
International Steels Limited	9/24/2025	
K-ELECTRIC LIMITED	11/11/2025	25-03-26 2-4-26
LUCKY CEMENT LTD	9/26/2025	
Maple Leaf Cement Ltd.	10/16/2025	31-Dec-25
Mari Energies Limited	9/26/2025	22-Mar-26
Meezan Bank Ltd		
Mughal Iron		
NATIONAL REFINERY LTD	9/30/2025	
Nishat Chunian Power Limited		13-Aug-25
NISHAT MILLS LIMITED		31-Mar-26
Nishat Power Limited		13-Aug-25
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
Pakistan Intl. Bulk Terminal Ltd.	23-Oct-25	
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan Reinsurance Company Limited	4/30/2026	
Pakistan State Oil Company Ltd	10/24/2025	
Pakistan Stock Exchange Limited		
PAKISTAN TELECOMMUNICATION COMPANY		20-Nov-25
Pakistan Tobacco Company Limited	4/28/2026	
Pioneer Cement Co Limited		31-Mar-26
Service Ind.Ltd	4/29/2026	
SHIFA INTERNATIONAL HOSPITAL LTD	10/24/2025	1-Apr-26
SUI NORTHERN GAS PIPELINES LIMITED	11/27/2025	
SUI SOUTHERN GAS COMPANY LIMITED	11/27/2025	23-Dec-25
Systems Limited	11-05-2026 28/04/2026	27-Feb-26
Thatta Cement Company Limited	10/7/2025	
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Searle Comp		12-Jun-26
TPL Corp Limited	12/30/2025	23-Apr-26
TPL Properties Limited.	12/29/2025	
TPL TRAKKER LIMITED	11/27/2025	
TRG Pakistan Limited		
United Bank Limited	3/26/2026	

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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Tel: (92-21) 111-111-500
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URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC STOCK FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 Securities & Exchange Commission of Pakistan 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 28, 2026

HBL ASSET MANAGEMENT
ایسیٹ مینجمنٹ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Stock Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid
Chief Executive Officer
Dated: August 27, 2026

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLISF/635

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Stock Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Stock Fund booked charity amounting to PKR 2,589,653/-.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Islamic Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Islamic Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements 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, 2026, 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 International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 5 and 6 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 10,232 million and investments of the Fund amounted to Rs. 1,260.280 million as at June 30, 2026. 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, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network, State Life Building No. 1-C, I. I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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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 Board of Directors of Management Company for the Financial Statements

The Management Company (HBL Asset Management Limited) 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 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, 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 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 Company.

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- 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 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 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 or the financial statements prepared are in agreement with the books and records of 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 29, 2026
UDIN: AR202610061jzc35nP6u

HBL ISLAMIC STOCK FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
ASSETS			
Bank balances	5	10,736	145,559
Investments	6	1,260,280	883,568
Dividend and profit receivable	7	642	524
Advance and deposits	8	3,000	3,000
Receivable against sale of investments		998	-
Receivable from HBL Asset Management Limited - Management Company		-	1,488
Total assets		1,275,656	1,034,139
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	9	3,443	4,634
Payable to Central Depository Company of Pakistan Limited - Trustee	10	207	187
Payable to the Securities and Exchange Commission of Pakistan	11	96	79
Payable against purchase of investments		-	28,783
Payable against redemption of units		6,686	174,099
Accrued expenses and other liabilities	12	12,515	22,401
Total liabilities		22,947	230,183
NET ASSETS		1,252,709	803,956
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		1,252,709	803,956
CONTINGENCIES AND COMMITMENTS	13		
		---- Number of units ----	
NUMBER OF UNITS IN ISSUE	17	4,734,629	3,872,754
		---- Rupees ----	
NET ASSET VALUE PER UNIT	4.6	264.5845	207.5929

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC STOCK FUND
Income Statement
For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
INCOME			
Dividend income		38,158	22,459
Profit on savings accounts with banks		6,455	5,140
Gain on sale of investments - net		119,243	115,183
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.2	80,507	46,657
		199,750	161,840
Total income		244,363	189,439
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	9.1 & 9.2	43,672	17,346
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	10.1 & 10.2	2,605	1,325
Fee to the Securities and Exchange Commission of Pakistan	11.1	1,203	562
Auditor's remuneration	14	1,248	1,020
Settlement and bank charges		176	1,201
Securities transaction costs		10,799	8,929
Fees and subscription		1,117	444
Charity expense		2,585	4,534
Reimbursement from HBL Asset Management Limited - Management Company		-	(1,488)
Total expenses		63,405	33,873
Net income for the year before taxation		180,958	155,566
Taxation	16	-	-
Net income for the year after taxation		180,958	155,566
Allocation of net income for the year:			
Net income for the year after taxation		180,958	155,566
Income already paid on units redeemed		(31,923)	(155,566)
		149,035	-
Accounting income available for distribution:			
- Relating to capital gains		149,035	-
- Excluding capital gains		-	-
		149,035	-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC STOCK FUND
Statement Of Other Comprehensive Income
For the year ended June 30, 2026

	2026	2025
	---- Rupees in '000 ----	
Net income for the year after taxation	180,958	155,566
Other comprehensive income for the year	-	-
Total comprehensive income for the year	180,958	155,566

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC STOCK FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2026			2025		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	---------- Rupees in '000 ----------					
Net assets at the beginning of the year	1,241,383	(437,427)	803,956	579,380	(437,427)	141,953
Issuance of 20,173,038 (2025: 20,883,017) units						
- Capital value (at net asset value per unit at the beginning of the year)	4,187,779	-	4,187,779	2,791,245	-	2,791,245
- Element of income	765,050	-	765,050	1,183,550	-	1,183,550
Total proceeds on issuance of units	4,952,829	-	4,952,829	3,974,795	-	3,974,795
Redemption of 19,311,163 (2025: 18,072,298) units						
- Capital value (at net asset value per unit at the beginning of the year)	(4,008,860)	-	(4,008,860)	(2,415,561)	-	(2,415,561)
- Element of loss	(644,251)	(31,923)	(676,174)	(897,231)	(155,566)	(1,052,797)
Total payments on redemption of units	(4,653,111)	(31,923)	(4,685,034)	(3,312,792)	(155,566)	(3,468,358)
Total comprehensive income for the year	-	180,958	180,958	-	155,566	155,566
Net assets at the end of the year	1,541,101	(288,392)	1,252,709	1,241,383	(437,427)	803,956
Accumulated loss brought forward comprising of:						
- Realised loss		(484,084)			(447,962)	
- Unrealised income		46,657			10,535	
		(437,427)			(437,427)	
Accounting income available for distribution:						
- Relating to capital gains		149,035			-	
- Excluding capital gains		-			-	
		149,035			-	
Accumulated loss carried forward		(288,392)			(437,427)	
Accumulated loss carried forward comprising of:						
- Realised loss		(368,899)			(484,084)	
- Unrealised income		80,507			46,657	
		(288,392)			(437,427)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			207.5929			133.6610
Net asset value per unit at the end of the year			264.5845			207.5929

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC STOCK FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	2026	2025
		---- Rupees in '000 ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		180,958	155,566
Adjustments for:			
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	6.2	(80,507)	(46,657)
Gain on sale of investments - net		(119,243)	(115,183)
Profit on savings accounts with banks		(6,455)	(5,140)
Dividend income		(38,158)	(22,459)
		(63,404)	(33,873)
(Increase) / decrease in assets			
Investments - net		(205,745)	(556,553)
Receivable against sale of investments		(998)	-
Receivable from HBL Asset Management Limited - Management Company		1,488	469
		(205,255)	(556,084)
(Decrease) / increase in liabilities			
Payable to HBL Asset Management Limited - Management Company		(1,191)	4,356
Payable to Central Depository Company of Pakistan Limited - Trustee		20	163
Payable to the Securities and Exchange Commission of Pakistan		17	69
Accrued expenses and other liabilities		(10,390)	14,336
		(11,544)	18,924
Profit received on savings accounts with banks		6,439	5,046
Dividend received		38,055	22,450
Net cash used in operating activities		(235,709)	(543,537)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		4,952,829	3,974,795
Payments against redemption and conversion of units		(4,852,447)	(3,294,259)
Net cash generated from financing activities		100,382	680,536
Net (decrease) / increase in cash and cash equivalents during the year		(135,327)	136,999
Cash and cash equivalents at the beginning of the year		145,559	8,560
Cash and cash equivalents at the end of the year	5	10,232	145,559

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 Islamic Stock Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on November 23, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 10, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.3 The Fund has been categorised as a Shariah compliant equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 issued by the SECP. The Fund is an open-ended shariah compliant fund and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited. The units of the Fund were initially offered for public subscription at par from May 9, 2011 to May 10, 2011.

1.4 The principal objective of the Fund is to provide long-term capital growth by investing mainly in Shariah compliant equity securities and short-term government securities.

1.5 VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating at 'AM1' dated December 31, 2025 (2025: 'AM1' dated December 31, 2024) and the outlook on the assigned rating remains 'Stable' (2025: Stable). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes.

1.6 The title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2 BASIS OF PRESENTATION

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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).

Where provisions of, directives and notifications 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 Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. 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.

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

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, 2026. 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) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the '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 effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

3.4 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 recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (Notes 4.2 and 6) and provision for Federal excise duty (Note 12.2).

3.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' which are measured at their respective fair value. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets have been disclosed in Note 21.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. These comprise of balances with banks in savings accounts.

4.2 Financial assets

4.2.1 Initial recognition and measurement

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

4.2.2 Classification and subsequent measurement

Equity instruments

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

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at Fair Value through Other Comprehensive Income (FVOCI). The management considers its investment in equity securities being managed as a group of assets and hence has classified them as Fair Value through Profit or Loss (FVTPL). Accordingly, the irrevocable option has not been considered.

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

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

4.2.2.1 Impairment

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

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

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

4.2.2.2 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.

Up to February 8, 2026, regular way purchases / sales of assets required delivery of securities within two days from the transaction date (T+2) as per the stock exchange regulations. Effective from February 9, 2026, in accordance with the revised regulations of the Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL), the settlement cycle has transitioned to a Trade plus one day (T+1) basis, requiring delivery of securities within one day from the transaction date.

4.2.2.3 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.

4.3 Financial liabilities

4.3.1 Classification and subsequent measurement

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

4.3.2 Derecognition

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

4.4 Offsetting of financial assets and financial liabilities

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

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

4.5 Provisions

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

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

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company / 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.

4.8 Distributions to unit holders

Distributions to 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, the 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.

4.9 Element of income / (loss) on issuance / (redemption) of units
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.

4.10 Revenue recognition

- Realised 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 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 saving accounts with banks is recognised on a time proportion basis using the effective yield method.

4.11 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.

4.12 Taxation

"Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.
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.

4.13 Treatment of Shariah non-compliant income

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

		Note	2026	2025
5	**BANK BALANCES**		---- Rupees in '000 ----	
	Savings accounts	5.1	10,736	145,559

5.1 These include a balance amounting to Rs. 6.71 million (2025: Rs. 7.09 million) with Habib Bank Limited (a related party) carrying profit at the rate of 10.50% (2025: 11.11%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 10.00% to 10.65% (2025: 5.00% to 10.60%) per annum.

		Note	2026	2025
6	**INVESTMENTS**		---- Rupees in '000 ----	
	At fair value through profit or loss			
	- Quoted equity securities	6.1	1,260,280	883,568

6.1 Quoted equity securities

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right issue	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of total market value of	Market value as a percentage of net assets of the	Holding as a percentage of paid-up capital of the investee
	---------- (Number of shares) ----------					----------Rupees in '000'----------			----------%----------		
Engineering											
International Steels Limited	-	80,600	-	80,600	-	-	-	-	-	-	-
International Industries Limited	-	33,600	-	33,600	-	-	-	-	-	-	-
Aisha Steel Mills Limited	-	1,265,000	-	1,265,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	502,477	-	280,477	222,000	18,279	19,449	1,171	1.54%	1.55%	0.07%
						18,279	**19,449**	**1,171**	**1.54%**	**1.55%**	
Cement											
D.G. Khan Cement Company Limited	194,734	158,500	-	293,234	60,000	13,244	13,396	152	1.06%	1.07%	0.01%
Lucky Cement Limited (note 6.1.4)	46,500	243,000	-	170,460	119,040	50,035	55,892	5,857	4.43%	4.46%	0.01%
Dewan Cement Lmited	-	1,169,500	-	1,169,500	-	-	-	-	-	-	-
Power Cement Limited	-	2,586,636	-	2,119,636	467,000	8,744	10,755	2,011	0.85%	0.86%	0.04%
Maple Leaf Cement Factory Limited (note 6.1.1)	829,999	1,018,000	-	1,233,204	614,795	55,710	65,728	10,018	5.22%	5.25%	0.06%
Fauji Cement Company Limited (note 6.1.1)	784,000	988,000	-	1,228,500	543,500	26,716	31,278	4,562	2.48%	2.50%	0.02%
Pioneer Cement Limited	145,917	191,000	-	322,215	14,702	5,277	4,166	(1,111)	0.33%	0.33%	0.01%
Cherat Cement Company Limited (note 6.1.1)	-	286,734	-	186,603	100,131	31,645	34,638	2,993	2.75%	2.77%	0.05%
						191,371	**215,853**	**24,482**	**17.13%**	**17.23%**	
Power Generation & Distribution											
The Hub Power Company Limited	66,500	489,500	-	389,500	166,500	34,863	38,869	4,006	3.08%	3.10%	0.01%
K-Electric Limited (note 6.1.4)	4,598,000	3,150,000	-	5,050,000	2,698,000	15,678	23,041	7,363	1.83%	1.84%	0.01%
						50,541	**61,910**	**11,369**	**4.91%**	**4.94%**	
Pharmaceuticals											
The Searle Company Limited (notes 6.1.2 & 6.1.3)	62,968	472,000	4,345	345,345	193,968	16,502	18,338	1,836	1.46%	1.46%	0.03%
Abbott Laboratories (Pakistan) Limited	25,044	6,659	-	21,640	10,063	10,286	9,906	(380)	0.79%	0.79%	0.01%
Ferozsons Laboratories Limited	-	4,755	-	-	4,755	1,758	1,917	159	0.15%	0.15%	0.01%
AGP Limited (note 6.1.1)	104,458	139,470	-	157,700	86,228	18,372	17,791	(581)	1.41%	1.42%	0.03%
Highnoon Laboratories Limited	17,303	9,333	-	11,962	14,674	15,013	14,714	(299)	1.17%	1.17%	0.03%
Citi Pharma Limited	-	140,000	-	140,000	-	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited (note 6.1.1)	52,421	69,158	-	88,200	33,379	13,715	12,359	(1,356)	0.98%	0.99%	0.01%
Haleon Pakistan Limited	20,441	26,428	-	26,700	20,169	17,774	16,240	(1,534)	1.29%	1.30%	0.02%
						93,420	**91,265**	**(2,155)**	**7.24%**	**7.29%**	

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right issue	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee
									total market value of	net assets of the	
	--- (Number of shares) ---					--- Rupees in '000' ---			--- % ---		
Miscellaneous											
Pakistan Services Limited	-	3,400	-	3,400	-		-	-	-	-	-
Shifa International Hospitals Limited	22,559	10,000	-	32,559	-	-	-	-	-	-	-
Oil & Gas Exploration Companies											
Oil & Gas Development Company Limited (note 6.1.1)	480,700	1,034,622	-	1,063,500	451,822	125,110	151,302	26,192	12.01%	12.08%	0.01%
Pakistan Petroleum Limited (note 6.1.1)	620,800	1,288,394	-	1,341,200	567,994	116,903	137,807	20,904	10.93%	11.00%	0.02%
Mari Energies Limited (note 6.1.2)*	3,145	141,100	-	89,600	54,645	39,622	36,847	(2,775)	2.92%	2.94%	-
						281,635	**325,956**	**44,321**	**25.86%**	**26.02%**	
Paper, Board & Packaging											
Century Paper & Board Mills Limited	-	190,000	-	190,000	-	-	-	-	-	-	-
						-	-	-			
Glass & Ceramics											
Tariq Glass Industries Limited	62,000	11,000	-	73,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited (notes 6.1.1 & 6.1.2)	339,450	444,500	-	688,700	95,250	42,656	32,609	(10,048)	2.59%	2.60%	0.02%
Sui Southern Gas Company Limited	-	280,000	-	280,000	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited (note 6.1.1)	171,500	357,000	-	271,000	257,500	31,133	31,139	7	2.47%	2.49%	0.04%
						73,789	**63,748**	**(10,041)**	**5.06%**	**5.09%**	
Refinery											
Attock Refinery Limited (note 6.1.1)	56,725	167,500	-	189,125	35,100	29,400	29,859	459	2.37%	2.38%	0.03%
National Refinery Limited	25,044	6,659	-	21,640	10,063	12,613	10,766	(1,847)	0.85%	0.86%	0.01%
Pakistan Refinery Limited	-	1,040,000	-	729,000	311,000	9,595	11,093	1,498	0.88%	0.89%	0.05%
						51,608	**51,718**	**110**	**4.10%**	**4.13%**	
Commercial Banks											
Meezan Bank Limited (note 6.1.1)	-	687,006	-	487,000	200,006	96,537	103,295	6,758	8.20%	8.25%	0.01%
Faysal Bank Limited (note 6.1.1)	-	131,000	-	-	131,000	11,573	13,000	1,427	1.03%	1.04%	0.01%
						108,110	**116,295**	**8,185**	**9.23%**	**9.28%**	
Fertilizer											
Fauji Fertilizer Company Limited (note 6.1.1)	-	396,500	-	282,700	113,800	58,060	65,262	7,202	5.18%	5.21%	0.01%
Fatima Fertilizer Limited	-	144,500	-	18,000	126,500	21,235	20,909	(326)	1.66%	1.67%	0.01%
Engro Fertilizers Limited*	-	138,000	-	88,000	50,000	10,025	9,948	(77)	0.79%	0.79%	-
						89,320	**96,119**	**6,799**	**7.63%**	**7.67%**	
Technology & Communication											
Systems Limited	309,000	285,764	-	594,764	-	-	-	-	-	-	-
TPL Trakker Limited	656,000	550,000	-	656,000	550,000	12,604	11,825	(779)	0.94%	0.94%	0.29%
Pakistan Telecommunication Company Limited	-	1,018,000	-	682,500	335,500	19,667	21,982	2,315	1.74%	1.75%	0.03%
						32,271	**33,807**	**1,536**	**2.68%**	**2.70%**	
Food & Personal Care Products											
National Foods Limited	50,000	22,000	-	72,000	-	-	-	-	-	-	-
Ghani Dairies Limited (note 6.1.4)	-	360,396	-	10,000	350,396	7,525	6,990	(535)	0.55%	0.56%	0.08%
At-Tahur Limited	-	147,000	-	147,000	-	-	-	-	-	-	-
Big Bird Foods Limited	-	250,000	-	-	250,000	11,313	11,508	195	0.91%	0.92%	0.08%
						18,838	**18,498**	**(340)**	**1.47%**	**1.48%**	

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right issue	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee
									total market value of	net assets of the	
	--- (Number of shares) ---					---Rupees in '000'---			--%--		
Automobile Assembler											
Al-Ghazi Tractors Limited	11,848	-	-	11,848	-	-	-	-	-	-	-
Ghandhara Automobiles Limited	-	51,000	-	51,000	-	-	-	-	-	-	-
Ghandhara Industries Limited	-	15,000	-	15,000	-	-	-	-	-	-	-
						-	-	-	-	-	
Chemical											
Biafo Industries Limited (note 6.1.4)	119,404	-	-	40,643	78,761	13,832	10,543	(3,289)	0.84%	0.84%	0.14%
Ghani Chemical Industries Limited	-	582,000	-	582,000	-	-	-	-	-	-	-
Ittehad Chemicals Limited	-	92,284	-	92,284	-	-	-	-	-	-	-
Berger Paints Limited	-	99,252	-	99,252	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	27,000	-	-	27,000	-	-	-	-	-	-	-
						13,832	**10,543**	**(3,289)**	**0.84%**	**0.84%**	
Textile Composite											
Interloop Limited	-	408,632	-	141,000	267,632	24,354	28,781	4,427	2.28%	2.30%	0.02%
Kohinoor Textile Mills Limited (note 6.1.4)	-	212,000	-	36,000	176,000	12,878	9,717	(3,161)	0.77%	0.78%	0.01%
Nishat Mills Limited	-	277,500	-	124,000	153,500	27,616	24,232	(3,384)	1.92%	1.93%	0.04%
						64,848	**62,730**	**(2,118)**	**4.98%**	**5.01%**	
Cable & Electrical Goods											
Pak Elektron Limited (note 6.1.1)	-	491,500	-	130,000	361,500	**19,862**	**16,430**	**(3,432)**	**1.30%**	**1.31%**	0.04%
Transport											
Pakistan International Bulk Terminal	-	235,647	-	235,647	-	-	-	-	-	-	-
					-	-	-	-	-	-	
Inv. Banks / Inv. Cos. / Securities Cos.											
Engro Holdings Limited	47,500	502,000	-	285,500	264,000	72,049	75,958	3,909	6.03%	6.06%	0.02%
						72,049	**75,958**	**3,909**	**6.03%**	**6.06%**	
Total as at June 30, 2026						**1,179,773**	**1,260,280**	**80,507**	**100.00%**	**100.60%**	
Total as at June 30, 2025						**836,911**	**883,568**	**46,657**			

* Nil figures due to rounding off difference

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

	2026	2025	2026	2025
	-- (Number of shares) --		---- Rupees in '000 ----	
AGP Limited	50,000	50,000	10,317	9,548
Attock Refinery Limited	5,000	21,000	4,253	14,268
Cherat Cement Company Limited	11,000	50,000	3,805	8,278
Faysal Bank Limited	10,000	-	992	-
Fauji Cement Company Limited	116,000	3,000	6,676	134
Fauji Fertilizer Company Limited	10,000	-	5,735	-
GlaxoSmithKline Pakistan Limited	30,321	50,321	11,226	19,661
Meezan Bank Limited	5,000	-	2,582	-
Maple Leaf Cement Factory Limited	95,700	476,700	10,231	40,176
Oil & Gas Development Company Limited	310,400	260,400	103,944	57,434
Pak Elektron Limited	60,000	-	2,727	-
Pakistan Petroleum Limited	409,200	62,826	99,280	14,332

	2026	2025	2026	2025
	-- (Number of shares) --		---- Rupees in '000 ----	
Pakistan State Oil Company Limited	94,000	452,200	32,181	76,951
Sui Northern Gas Pipelines Limited	100,000	107,000	12,093	40,396
Mari Energies Limited	-	100,000	-	11,671
	1,306,621	1,633,447	306,043	292,849

6.1.2 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 would 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 were 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 were 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 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 issued notices to the relevant parties and 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 Fund has included these shares in its portfolio, as the management is confident that the decision on 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.

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 shares 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 until further orders of 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.

As at June 30, 2026, 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	----------2026----------		----------2025----------	
	---------- Bonus shares ----------			
	Number of shares withheld	Market value as at June 30, 2026	Number of shares withheld	Market value as at June 30, 2025
		Rupees in '000		Rupees in '000
The Searle Company Limited	2,968	281	2,968	260
Pakistan State Oil Company Limited	850	291	850	321
Mari Energies Limited	3,145	2,121	3,145	1,972
	6,963	2,693	6,963	2,553

6.1.3 During the year, The Searle Company Limited has witheld 835 bonus shares from the bonus shares issued to the Fund. The market value of these bonus shares witheld amounts to Rs. 75,558 as at June 30, 2026. The Fund has charged off this amount from the investments.

6.1.4	Name of the investee company	Nominal value per share as on June 30, 2026
		---- Rupees ----
	Lucky Cement Limited	2.00
	K-Electric Limited	3.50
	Ghani Dairies Limited	1.00
	Biafo Industries Limited	5.00
	Kohinoor Textile Mills Limited	2.00

		Note	2026	2025
			---- Rupees in '000 ----	
6.2	**Net unrealised appreciation on re-measurement of investments classified as financial assets 'at 'fair value through profit or loss'**			
	Market value of investments	6.1	1,260,280	883,568
	Less: carrying value of investments	6.1	(1,179,773)	(836,911)
			80,507	46,657
7	**DIVIDEND AND PROFIT RECEIVABLE**			
	Dividend receivable		208	105
	Profit receivable on savings accounts with banks	7.1	434	419
			642	524

7.1 This includes a profit receivable amounting to Rs. 0.12 million (2025: Rs. 0.13 million) from HBL Bank Limited (a related party).

		Note	2026	2025
			---- Rupees in '000 ----	
8	**ADVANCE AND DEPOSITS**			
	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	400	400
			3,000	3,000

8.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividends and profit on savings accounts with banks paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The tax withheld on dividends and profit on savings accounts with banks amounts to Rs. 0.4 million (2025: Rs. 0.4 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 savings accounts with banks have been shown as an advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

9	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
			--- Rupees in '000 ---	
	Remuneration payable	9.1	2,928	2,503
	Sindh sales tax payable on remuneration of the Management Company	9.2	439	376
	Sales load payable		76	1,755
			3,443	4,634

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 and subject to a capping of 3.00% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3.00% (2025: 2.30% to 3.00%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

9.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Management Company.

10	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
			---- Rupees in '000 ----	
	Remuneration payable to the Trustee	10.1	180	163
	Sindh sales tax payable on remuneration of the Trustee	10.2	27	24
			207	187

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	Rs. 0.7 million or 0.2% per annum of NAV, which ever is higher.
Exceeding Rs. 1,000 million	Rs. 2 million plus 0.10% per annum of NAV on amount exceeding Rs. 1,000 million.

10.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Trustee.

11	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026	2025
			- Rupees in '000 -	
	Fee payable	11.1	96	79

11.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay a 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% (2025: 0.095%) per annum of the daily net assets of the Fund during the year. The Fund is required to pay the SECP fee within fifteen days of the close of every calendar month.

12	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
			--- Rupees in '000 ---	
	Charity payable	12.1	2,592	4,534
	Federal excise duty payable on remuneration of the management company	12.2	6,785	6,785
	Withholding tax payable		565	1,706
	Auditor's remuneration payable		779	376
	Securities transaction costs payable		644	57
	Zakat payable		2	113
	Others		1,147	8,830
			12,515	22,401

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

Accordingly, during the year ended June 30, 2026, Shariah non-compliant income amounting to Rs. 2.58 million (2025: Rs. 4.54 million) was charged as charity expense and Rs. 5.03 million (2025: Rs. 0.29 million) was disbursed to the charitable / welfare organisations.

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 6.785 million (2025: Rs. 6.785 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV of the Fund would have been higher by Rs. 1.43 (2025: Rs. 1.75) per unit.

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 and June 30, 2025.

14 AUDITOR'S REMUNERATION

	2026	2025
	-- Rupees in '000 --	
Annual audit fee	373	324
Half yearly review	248	216
Certifications and other services	384	314
Out of pocket expenses and Sindh sales tax	243	166
	1,248	1,020

15 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 4.5% for a collective investment scheme categorised as an "Equity Scheme", 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 has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 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(i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

17 NUMBER OF UNITS IN ISSUE

	2026	2025
	--- Numbers of units ---	
Units in issue as at the beginning of the year	3,872,754	1,062,035
Units Issued during the year	20,173,038	20,883,017
Units redeemed during the year	(19,311,163)	(18,072,298)
Total units in issue at the end of the year	4,734,629	3,872,754

18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee of the Fund, other collective investment schemes / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part of and directors or officers of the Management Company or any of their connected persons as specified herein.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at the terms determined in accordance with market rates.

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

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

	2026	2025
18.1 Transactions during the year	---- Rupees in '000 ----	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company (including Sindh sales tax thereon)	43,672	17,346
Reimbursement from HBL Asset Management Limited - Management Company	-	1,488
Redemption of 39,464 (2025: nil) units	9,822	-
Habib Bank Limited - Sponsor		
Bank charges paid	176	196
Profit on savings accounts with bank	3,872	2,530
Issue of nil (2025: 2,193) units	-	455
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including Sindh sales tax)	2,605	1,325
CDC Charges	261	290
Executives and their relatives		
Issuance of 380,177 (2025: 441,833) units	86,221	81,485
Redemption of 330,444 (2025: 394,383) units	77,341	78,696

	2026	2025
18.2 Balances outstanding as at year end	---- Rupees in '000 ----	
HBL Asset Management Limited - Management Company		
Remuneration payable	2,928	2,503
Sindh sales tax payable on remuneration of the Management Company	439	376
Sales load payable	76	1,755
Receivable from HBL Asset Management Limited - Management Company	-	1,488
Outstanding: nil (2025: 39,464) units	-	8,192
Habib Bank Limited - Sponsor		
Bank balance	6,706	7,088
Profit receivable on savings accounts with banks	124	133
Outstanding: 2,193 (2025: 2,193) units	580	455
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	180	163
Sindh sales tax payable on remuneration of the Trustee	27	24
Security deposit	100	100
Executives and their relatives		
Outstanding: 114,571 (2025: 64,838) units	30,314	13,460

19 FINANCIAL INSTRUMENTS BY CATEGORY

	----------2026----------		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees in '000 ----------		
Financial assets			
Bank balances	10,232	-	10,232
Investments	-	1,260,280	1,260,280
Dividend and profit receivable	642	-	642
Receivable against sale of investments	998	-	998
Deposits	2,600	-	2,600
	14,472	1,260,280	1,274,752
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	3,443	-	3,443
Payable to Central Depository Company of Pakistan Limited - Trustee	207	-	207
Payable against redemption of units	6,686	-	6,686
Accrued expenses and other liabilities	2,570	-	2,570
	12,906	-	12,906

	----------2025----------		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees in '000 ----------		
Financial assets			
Bank balances	145,559	-	145,559
Investments	-	883,568	883,568
Dividend and profit receivable	524	-	524
Receivable from HBL Asset Management Limited - Management Company	1,488	-	1,488
Deposits	2,600	-	2,600
	150,171	883,568	1,033,739
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	4,634	-	4,634
Payable to Central Depository Company of Pakistan Limited - Trustee	187	-	187
Payable against purchase of investments	28,783	-	28,783
Payable against redemption of units	174,099	-	174,099
Accrued expenses and other liabilities	9,263	-	9,263
	216,966	-	216,966

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 risks: yield / profit rate risk, currency risk and price risk.

(i) Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow and profit rate risk. In the case of a 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. 0.10 million (2025: Rs. 1.46 million).

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, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

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

The Fund's yield / profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 and June 30, 2025 can be determined as follows:

	As at June 30, 2026				
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	10.00% to 10.65%	10,232	-	-	-	10,232
Investments		-	-	-	1,260,280	1,260,280
Receivable against sale of investments		-	-	-	998	998
Dividend and profit receivable		-	-	-	642	642
Deposits		-	-	-	2,600	2,600
		10,232	-	-	1,264,520	1,274,752
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	3,443	3,443
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	207	207
Payable against redemption of units		-	-	-	6,686	6,686
Accrued expenses and other liabilities		-	-	-	2,570	2,570
		-	-	-	12,906	12,906
On-balance sheet gap (a)		10,232	-	-	1,251,614	1,261,846
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		10,232	-	-		
Cumulative profit rate sensitivity gap		10,232	10,232	10,232		

	As at June 30, 2025				
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments		Rupees in '000				
Financial assets						
Bank balances	5.00% to 11.11%	145,559	-	-	-	145,559
Investments		-	-	-	883,568	883,568
Dividend and profit receivable		-	-	-	524	524
Receivable from HBL Asset Management Limited - Management Company		-	-	-	1,488	1,488
Deposits		-	-	-	2,600	2,600
		145,559	-	-	888,180	1,033,739
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	4,634	4,634
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	187	187
Payable against purchase of investments		-	-	-	28,783	28,783
Payable against redemption of units		-	-	-	174,099	174,099
Accrued expenses and other liabilities		-	-	-	9,263	9,263
		-	-	-	216,966	216,966
On-balance sheet gap (a)		145,559	-	-	671,214	816,773
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total profit rate sensitivity gap (a+b)		145,559	-	-		
Cumulative profit rate sensitivity gap		145,559	145,559	145,559		

(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations 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 40% of the net assets.

In the case of a 1% increase / decrease in KMI All Share index on June 30, 2026, with all other variables held constant, the total net income of the Fund for the year would increase / decrease by Rs. 12.603 million (2025: Rs. 8.836 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KMI All Share index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KMI All Share index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KMI All Share 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 they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily 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, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemption requests during the year ended June 30, 2026.

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:

	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	3,443	-	-	-	-	-	3,443
Payable to Central Depository Company of Pakistan Limited - Trustee	207	-	-	-	-	-	207
Payable against redemption of units	6,686	-	-	-	-	-	6,686
Accrued expenses and other liabilities	1,791	779	-	-	-	-	2,570
	12,127	779	-	-	-	-	12,906

	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	4,634	-	-	-	-	-	4,634
Payable to Central Depository Company of Pakistan Limited - Trustee	187	-	-	-	-	-	187
Payable against purchase of investments	28,783	-	-	-	-	-	28,783
Payable against redemption of units	174,099	-	-	-	-	-	174,099
Accrued expenses and other liabilities	8,887	376	-	-	-	-	9,263
	216,590	376	-	-	-	-	216,966

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:

	2026		2025	
	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	10,232	10,232	145,559	145,559
Investments	1,260,280	-	883,568	-
Dividend and profit receivable	642	642	524	524
Receivable against sale of investments	998	998	-	-
Receivable from HBL Asset Management Limited				
- Management Company	-	-	1,488	1,488
Deposits	2,600	2,600	2,600	2,600
	1,274,752	14,472	1,033,739	150,171

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 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 market participants or failure of financial market / stock exchanges, depositories, 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 its internal risk management policies and investment 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 the settlement of equity securities) arises mainly from its placements in banks and profit receivable thereon, dividend receivable and receivable against the sale of units. The credit rating profile of balances with banks is as follows:

Rating category	Percentage of financial assets exposed to credit risk	
	2026	2025
AAA	65.54%	4.86%
AA *	0.11%	-
AA-	34.35%	95.14%
	100.00%	100.00%

** 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. As transactions are entered with creditworthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All finnacial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

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, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair values:

	2026			
Financial assets 'at fair value through profit or loss'	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000			
- Quoted equity securities	1,260,280	-	-	1,260,280

	2025			
Financial assets 'at fair value through profit or loss'	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rupees in '000			
- Quoted equity securities	883,568	-	-	883,568

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

Item	Valuation technique
Quoted equity securites	The fair value of investments in quoted equity securites is determined 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 Movements 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

Category	2026		
	Number of unit holders	Investment amount	Percentage of investments
		Rupees in '000'	
Individuals	1,949	1,212,265	96.77%
Associated Companies and Directors	1	580	0.05%
Insurance Companies	2	165	0.01%
Retirement Funds	3	3,039	0.24%
Others	9	36,660	2.93%
	1,964	1,252,709	100.00%

Category	2025		
	Number of unit holders	Investment amount	Percentage of investments
		Rupees in '000'	
Individuals	1,129	774,625	96.35%
Associated Companies and Directors	1	455	0.06%
Insurance Companies	2	130	0.02%
NBFCs	1	8,192	1.02%
Retirement Funds*	4	12	-
Public Limited Companies	1	3,086	0.38%
Others	5	17,456	2.17%
	1,143	803,956	100.00%

** Nil due to rounding off*

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

2026	2025
Name of broker	Name of broker
Spectrum Securities Limited	Sherman Securities (Private) Limited
Sherman Securities (Private) Limited	Intermarket Securities Limited
Topline Securities Limited	DJM Securities Limited
BMA Capital Management Limited	Arif Habib Limited
Chase Securities Pakistan (Private) Limited	JS Global Capital Limited
KTrade Securities Limited	Darson Securities (Private) Limited
DJM Securities Limited	Ktrade Securities Limited
JS Global Capital Limited	Optimus Capital Management (Private) Limited
Intermarket Securities Limited	BMA Capital Management Limited
Alpha Capital (Private) Limited	Spectrum Securities Limited

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

S.no.	Name	Designation	Qualification	Overall experience
1	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27+ years
2	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29+ years
3	Mr. Amin Mohammad	Chief Risk Officer	MBA	33+ years
4	Mr. Wasim Akram	Senior Fund Manager	MBA	22+ years
5	Mr. Sunny Kumar	Head of Equities	B. Com	8+ 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, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 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	8	1	June 04, 2026
3	Mr. Rayomond H. Kotwal *	6	5	1	December 22, 2025
4	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
5	Mr. Tariq Masaud	9	8	1	October 30, 2025
6	Mr. Mir Adil Rashid	9	9	-	-
7	Mr. Ifran Ahmed Meer*	3	2	1	April 29, 2026
8	Mr. Khalid Malik	9	9	-	-
9	Dr. Sahar Awan*	3	3	-	-
10	Mr. Habib Yousuf Habib *	3	3	-	-
11	Ms. Sheeza Ahmed	9	9	-	-

*Mr. Rayomond H. Kotwal and Mr. Habib Yousuf Habib resigned on April 06, 2026 and November 27, 2025 respectively.
**Mr. Irfan Ahmed Meer and Dr. Sahar Awan were appointed on April 08, 2026.

27 GENERAL

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

27.2 Figures have been rounded off to the nearest thousand rupees unless specified other.

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 27, 2026** .

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL

ISLAMIC INCOME FUND

FUND INFORMATION

NAME OF FUND	HBL Islamic Income Fund
NAME OF AUDITOR	BDO Ebrahim & Co., Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limtied
NAME OF SHARIAH ADVISOR	Al - Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Bank Islami Pakistan Limited Bank Al Baraka Limited Faysal Bank Limited Habib Bank Limited Dubai Islamic Bank Limited Askari Bank Limited Bank Al Habib Limited Soneri Al Tijarah MCB Islamic Bank Limited U Microfinance Bank National Bank Limited

FUND MANAGER'S REPORT - HBL ISLAMIC INCOME FUND

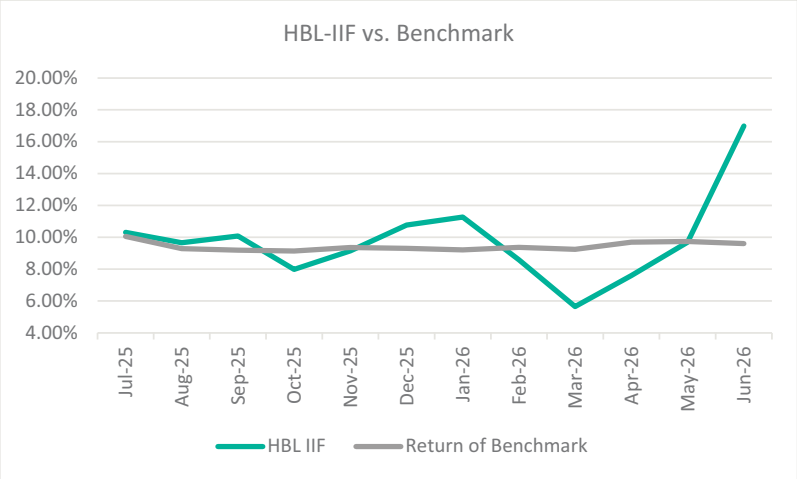
Type and Category of Fund

Open end Shariah Compliant Income Fund

Investment Objective and Accomplishment of Objective
The objective of the Fund is to provide competitive risk adjusted returns to its investors by investing in a diversified portfolio of long, medium and short term Shariah compliant debt instruments while taking into account liquidity considerations. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark
The Fund's benchmark is 75% six (6) months PKISRV rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Islamic Banks or Islamic Windows of Conventional Banks as selected by MUFAP.
The comparison of the fund return with benchmark is given below:

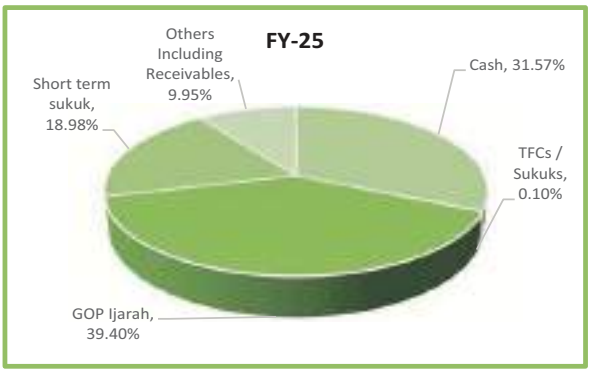
Month	HBL-IIF	Benchmark
Jun-26	16.99%	9.60%
May-26	9.69%	9.74%
Apr-26	7.60%	9.69%
Mar-26	5.65%	9.24%
Feb-26	8.58%	9.37%
Jan-26	11.27%	9.21%
Dec-25	10.77%	9.30%
Nov-25	9.15%	9.36%
Oct-25	7.98%	9.14%
Sept-25	10.08%	9.19%
Aug-25	9.66%	9.29%
Jul-25	10.31%	10.06%

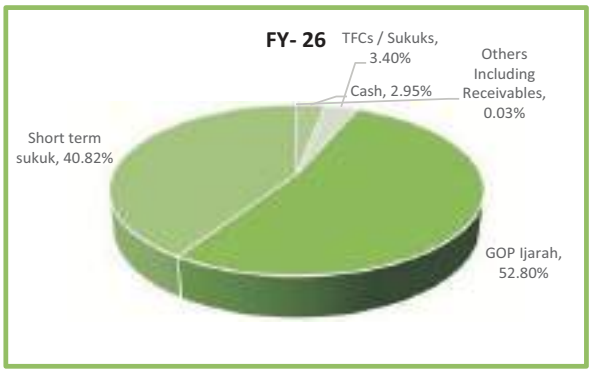


Strategies and Policies employed during the Year

During the year, funds were primarily invested in GoP Ijarah Sukuk at 52.80% of total assets and Short Term Sukuks at 40.82% of total assets. Other investments included long term Corporate Sukuks comprising 3.40% of total assets to support the funds bottom line. HBL Islamic Income Fund posted an annualized return of 9.57% compared to benchmark return of 10.61%

Asset Allocation





Fund Performance
The total income and net income of the Fund was Rs. 1.88 billion and Rs. 1.71 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 104.8624 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.80 per unit) as compared to Rs. 104.0599 per unit as on June 30, 2025, thereby giving an annualized return of 10.26%. During the same year the benchmark return (75% 6 Month PKISRV & 25% 6 Month Deposit rates) was 9.43%. The size of Fund was Rs. 8.30 billion as on June 30, 2026 as compared to Rs. 17.57 billion at the start of the year.

Money Market Review
During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

In the last auction of GoP Ijarah Sukuk held on June 17th 2026, the rental rate for the 5-year fixed instrument settled at 12.09%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution
The Fund has distributed cash dividend up-to Rs. 9.80 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs of the Fund.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	2,532	30,339
101 - 500	419	108,995
501 - 1,000	183	135,823
1,001 - 10,000	589	2,557,822
10,001 - 100,000	472	15,679,477
100,001 - 500,000	106	23,697,827
500,001 - 1,000,000	12	8,798,584
1,000,001 - 5,000,000	9	16,001,483
5,000,001 and above	2	12,170,483
Total	**4,324**	**79,180,833**

Unit Splits
There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders
Investments are subject to market risk.

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

PERFORMANCE TABLE - HBL ISLAMIC INCOME FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end (Rs'000)	8,303,094	17,570,846	14,899,335	7,735,701	4,670,836	1,020,180
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	104.8624	104.0599	103.7234	103.2208	102.7607	101.7500
Offer	107.2742	106.4533	105.4815	104.9704	104.5025	103.4747
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit - Class C	115.8448	119.1147	127.3300	122.2475	114.6920	108.6293
Lowest offer price per unit - Class C	105.8839	105.5746	105.0260	104.6571	103.5054	103.2850
Highest offer price per unit - Class D	115.8448	119.1147	127.3300	122.2475	114.6920	108.6293
Lowest offer price per unit - Class D	105.8839	105.5746	105.0260	104.6571	103.5054	103.2850
Highest redemption price per unit	113.8748	117.0891	125.2077	120.2099	112.7804	106.8187
Lowest redemption price per unit	104.0833	103.7792	103.2755	102.9127	101.7802	101.5635
RETURN (%)						
Total return	10.26%	10.67%	21.83%	17.55%	11.14%	5.45%
Income distribution	9.42%	12.87%	21.31%	17.03%	10.30%	5.30%
Capital growth	0.84%	-2.20%	0.52%	0.52%	0.84%	0.15%
DISTRIBUTION						
First Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution	-	-	-	-	-	-
Final Interin dividend distribution (Rs)	9.80	13.35	22.00	17.50	10.30	5.30
Date of Income Distribution	20-Jun-26	20-Jun-25	21-Jun-24	23-Jun-23	24-Jun-22	18-Jun-21
Total dividend distribution for the year (Rs)						5.30
AVERAGE RETURNS (%)						
Average annual return 1 year	10.26%	10.67%	21.83%	17.55%	11.14%	5.45%
Average annual return 2 year	10.46%	16.12%	19.67%	14.30%	8.26%	7.85%
Average annual return 3 year	14.13%	16.59%	16.76%	11.27%	8.94%	7.85%
PORTFOLIO COMPOSITION - (%)						
Percentage of Net Assets as at 30 June:						
Bank Balances	2.95%	31.57%	41.65%	25.97%	62.77%	53.31%
GoP Ijarah Sukuks		-	-	-	-	-
TFCs /Sukuks	52.80%	39.40%	43.14%	17.90%	34.69%	36.58%
Commercial Paper	0.00%	0.00%	0.00%	34.94%	0.80%	7.96%
Certificate of Modaraba		-	-	-	-	-
Placement with Banks and DFIs	0.00%	0.00%	9.93%	17.77%	-	-
Corporate Sukuks	40.82%	18.98%	0	-	-	-
Others	0.03%	9.95%	2.81%	3.42%	1.74%	2.15%
Weighted average portfolio during (No. of days)	334	363	363	363	186	493

Note:
The Launch date of the Fund is May 29, 2014

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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 ISLAMIC INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 Securities & Exchange Commission of Pakistan 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, 2026

HBL ASSET MANAGEMENT
ایسیٹ مینجمنٹ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Income Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid
Chief Executive Officer
Dated: August 27, 2026

September 23, 2026 بسم الله الرحمن الرحيم **AHSA/SSR/HBLAMC/HBLIIF/637**

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Income Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Income Fund did not book any charity amount.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL ISLAMIC INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Islamic Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the 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 policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, 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 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(s)	How the matter was addressed in our audit
1.	**Existence and valuation of balances with banks and investments** As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the year ended June 30, 2026, the balances with banks and investments amounting to Rs. 1412.12 million and Rs. 8,297.78 million which represent 97.76% of the total assets. 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, 2026.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available alternate audit procedures were performed; • Re-performed valuation procedures to assess that investments are carried as per the valuation methodology specified in the accounting policies; and

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S.NO	Key audit matter(s)	How the matter was addressed in our audit
	We considered existence of bank balance and existence and valuation of investment as Key audit matter due to significance of these in relation to total assets.	• Obtained bank reconciliation statements and tested reconciling items on a sample basis. • Assessed the Funds' compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • Evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of accounting and reporting standards as applicable in Pakistan.

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 Board of Directors of the Management Company for the Financial Statements

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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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.

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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. 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 the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166F4fY0I7tw

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL ISLAMIC INCOME FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026	2025
		----- (Rupees in '000) -----	
ASSETS			
Balances with banks	5	1,647,267	7,586,814
Investments	6	8,062,631	10,178,317
Profit receivable	7	222,816	243,611
Deposits and other receivable	8	100	2,915
TOTAL ASSETS		9,932,814	18,011,657
LIABILITIES			
Payable to the HBL Asset Management Limited - Management Company	9	13,471	15,165
Payable to the Central Depository Company of Pakistan Limited	10	890	1,038
Payable to Securities and Exchange Commission of Pakistan		770	923
Dividend payable		2,060	176,461
Payable against conversion of units		1,437,371	178
Accrued expenses and other liabilities	12	175,158	247,046
TOTAL LIABILITIES		1,629,720	440,811
NET ASSETS		8,303,094	17,570,846
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		8,303,094	17,570,846
Contingencies and commitments	13		
		-----(Number of Units)-----	
Number of units in issue	14	79,180,833	168,853,143
		-----(Rupees)-----	
Net assets value per unit		104.8624	104.0599

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC INCOME FUND
Income Statement
For the year ended June 30, 2026

	Note	2026	2025
		--- (Rupees in '000) ---	
Income			
Income from GOP Ijara sukuk certificates		598,156	1,132,780
Income from corporate sukuk bonds		506,050	345,863
Income from term deposit receipts		117,854	89,498
Income from Bai Muajjal		206,170	255,988
Capital loss on sale of investments - net		(1,758)	(43,978)
Profit on bank deposits		538,946	862,314
		1,965,418	2,642,465
Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.3	(90,410)	50,313
		1,875,008	2,692,778
Expenses			
Remuneration of the HBL Asset Management Limited - Management Company	9.1	120,286	251,752
Sindh sales tax on remuneration of the HBL Asset Management Limited - Management Company	9.2	18,043	37,763
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	13,641	12,729
Sindh sales tax on remuneration of the Central Depository Company of Pakistan Limited		-	
Trustee	10.2	2,046	1,909
Annual fee to Securities and Exchange Commission of Pakistan	11.1	13,604	14,025
Auditors' remuneration	15	871	400
Fee and subscription		296	901
Security transaction costs and settlement charges		494	481
Bank charges		35	313
Printing Charges		-	75
Provision against debt securites		-	39,381
Shariah advisory charges		392	283
		169,708	360,012
Net income before taxation		1,705,300	2,332,766
Taxation	16	-	-
Net income for the year		1,705,300	2,332,766
Allocation of net income for the year			
Net income for the year		1,705,300	2,332,766
Income already paid on units redeemed		(1,343,321)	(1,738,638)
		361,979	594,128
Accounting income available for distribution:			
Relating to capital gains		-	-
Excluding capital gains		361,979	594,128
		361,979	594,128

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

	2026	2025
	---- (Rupees in '000) ----	
Net income for the year	1,705,300	2,332,766
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1,705,300	2,332,766

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC INCOME FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	17,315,120	255,725	17,570,846	14,698,018	201,317	14,899,335
Issue of 368,617,050 units (2025: 356,714,302 units)						
Capital value	38,358,253	-	38,358,253	36,999,620	-	36,999,620
Element of income	1,698,199	-	1,698,199	1,570,568	-	1,570,568
Amount received on issuance of units	40,056,452	-	40,056,452	38,570,188	-	38,570,188
Redemption of units 458,289,359 (2025: 331,506,051 units)						
Capital value	(47,689,545)	-	(47,689,545)	(34,384,934)	-	(34,384,934)
Element of loss	(1,578,041)	(1,343,321)	(2,921,362)	(1,386,498)	(1,738,638)	(3,125,136)
Amount paid / payable on redemption of units	(49,267,586)	(1,343,321)	(50,610,907)	(35,771,433)	(1,738,638)	(37,510,071)
Total comprehensive income for the year	-	1,705,300	1,705,300	-	2,332,766	2,332,766
Interim distribution for the year ended June 30, 2026 (Date: June 19, 2026 @ Rs. 9.80 per unit)		(320,050)	(320,050)			
Interim distribution for the year ended June 30, 2025 (Date: June 19, 2025 @ Rs. 13.35 per unit)					(539,720)	(539,720)
Refund of capital	(98,548)	-	(98,548)	(181,652)	-	(181,652)
	(98,548)	1,385,250	1,286,702	(181,652)	1,793,046	1,611,394
Net assets at end of the year	8,005,438	297,654	8,303,094	17,315,120	255,725	17,570,846

Undistributed income brought forward		
Realised income	205,412	249,408
Unrealised gain	50,313	(48,091)
	255,725	201,317
Accounting income available for distribution		
Relating to capital	-	-
Excluding capital gains	361,979	594,128
	361,979	594,128
Distributions during the year:		
Interim distribution of Rs 9.80 per unit declared on June 20, 2026 as cash dividend	(320,050)	
Interim distribution of Rs 13.5 per unit declared on June 19, 2025 as cash dividend	-	(539,720)
	(320,050)	(539,720)
Undistributed income carried forward	297,655	255,725
Undistributed income carried forward		
Realised income	388,065	205,412
Unrealised (loss) / income	(90,410)	50,313
	297,655	255,725

	(Rupees)	(Rupees)
Net assets value per unit at beginning of the year	104.0599	103.7234
Net assets value per unit at end of the year	104.8624	104.0599

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC INCOME FUND
Cash Flow Statement
For the year ended June 30, 2026

	2026	2025
	---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the year	1,705,300	2,332,766
Adjustments for:		
Capital gain / (loss) on sale of investments - net	1,759	43,978
Income from GOP Ijara sukuk certificates	(598,157)	(1,132,780)
Income from corporate sukuk bonds	(506,050)	(345,863)
Income from term deposit receipts	(117,854)	(89,498)
Income from Bai Muajjal	(206,170)	(255,988)
Profit on bank deposits	(538,945)	(862,314)
Provision against GOP Ijarah sukuk	-	-
Unrealised diminution / (appreciation) on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	90,410	(50,313)
	(169,707)	(360,012)
(Increase) / decrease in assets		
Investments - net	2,023,517	(1,684,864)
Deposits and other receivable	2,815	(2,815)
	2,026,332	(1,687,679)
Increase / (decrease) in liabilities		
Payable to the Management Company	(1,694)	(11,529)
Payable to the Trustee	(148)	(459)
Payable to Securities and Exchange Commission of Pakistan	(153)	13
Dividend payable	(174,401)	95,054
Payable against conversion of units	1,437,193	178
Accrued expenses and other liabilities	(71,888)	35,770
	1,188,909	119,027
Cash generated from (used in) operations	3,045,534	(1,928,664)
Income received from GOP Ijara sukuk certificates	649,718	1,323,482
Income received from corporate sukuk bonds	486,999	260,564
Income received from term deposit receipts	117,854	89,498
Income received from Bai Muajjal	206,170	255,988
Profit received on bank deposits	527,231	907,997
	1,987,972	2,837,529
Net cash generated from operating activities	5,033,506	908,865
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount received on issue of units	40,056,452	38,570,188
Amount paid on redemption of units	(50,610,907)	(37,510,071)
Dividend paid	(418,598)	(721,374)
Net cash (used in) / generated from financing activities	(10,973,053)	338,744
Net (decrease) / increase in cash and cash equivalents	(5,939,547)	1,247,609
Cash and cash equivalents at beginning of the year	7,586,814	6,339,205
Cash and cash equivalents at end of the year	1,647,267	7,586,814

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 The HBL Islamic Income Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Company Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/AMCW/PIIF/949/2014 dated April 4, 2014 in accordance with the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and the Trust Deed was executed on February 20, 2014.

1.2 Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Agha Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

1.3 The Trust Act, 1882 has been repealed due to promulgation of Provincial Trust Act "Sindh Trusts Act, 2020" as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Various new requirements including registration under the Sindh Trusts Act, 2020 have been introduced as part of this act. The Management Company after fulfilling the requirement for registration of Trust Deed under Sindh Trusts Act, 2020, has submitted Collective Investment Scheme Trust Deed to Registrar acting under Sindh Trusts Act, 2020 for registration. On August 17, 2021 Trust Deed of the Fund has been registered under Sindh Trusts Act, 2020.

1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.5 The Fund is an open-ended mutual fund and quoted on Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The units of the Fund were initially offered for public subscription during the initial offering period from May 27, 2014 to May 28, 2014 at an initial price of Rs. 100 per unit and received Rs. 1,165 million against initial public offer from various investors including Management Company and accordingly the Fund commenced its business activities on May 29, 2014. The Fund adheres to the Shariah Governance Regulations, 2023 issued by the Securities and Exchange Commission of Pakistan (SECP).

1.6 The objective of the Fund is to provide competitive risk-adjusted returns to its investors by investing in a diversified portfolio of long, medium and short-term Shariah compliant debt instruments while taking into account liquidity considerations. The Management Company has appointed Al-Hilal Shariah Advisors (Pvt.) Limited as Shariah Advisor to the Fund to ensure the activities are in compliance with the principles of Shariah.

1.7 VIS Credit Rating Company (VIS) has assigned an asset manager rating of 'AM1' to the Management Company on December 31, 2025.

1.8 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

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications 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, Notified Entities Regulations, 2008 (the NBFC Regulations)

.

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 Accounting Standards, the provisions of, and directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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 ('Rupees' or 'Rs'), which is the Fund's functional and presentation currency.

2.4 Use of judgments and estimates

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, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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, 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.

	Note
a) Classification and valuation of financial assets	4.2
b) Provisions	4.3

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, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

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 Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to 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
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027

	Effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	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 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

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 balances maintained with banks. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

4.2.2 Financial assets

There are three principal classification categories for financial assets:

- At amortised cost(AC);

- At fair value through other comprehensive income (FVOCI); and

- At fair value through profit or loss (FVPL).

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses and impairment are recognised in income statement.

Financial asset at FVOCI

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

Financial asset at FVPL

All other financial assets are classified as FVPL .

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at FVPL are subsequently carried at fair value. Net gains and losses,including any profit / markup or dividend income, are recognised in income statement.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;

- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flows.

- Held-to-collect and sell business model: This includes Government Securities and Sukuks, if any. These financial assets are held to collect contractual cash flow and sell the financial assets.

- Other business model: This includes Government Securities and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessments whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (eg. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;

- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and

- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.3 Impairment of financial assets

The Fund at each reporting date asses whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.4 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.

4.2.5 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. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

4.2.6 Financial liabilities

The Fund on initial recognition classifies its financial liabilities:

- at amortised cost (AC) or
- at fair value through profit or loss (FVTPL)

and also subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires as follows:

- The amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in income statement.

- Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to income statement.

4.2.7 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 recognized amounts and there is an intention to settle on a net basis, or to realize 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 Earnings / (loss) per unit

Earnings/ (loss) per unit (EPU) is calculated by dividing the net income / (loss) for the year of the Fund by the weighted average number of units outstanding during the year. Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.6 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.7 Net asset value per unit

The net asset value (NAV) per unit, as disclosed on the statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue in circulation at the year end.

4.8 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, trustee fee and annual fee of the SECP are recognised in the Income Statement when incurred.

4.9 Distributions

Distribution to the unit holders are recognised upon declaration and approval 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.

Distributions declared subsequent to 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.

The rate of distribution is adjusted with effect of refund of capital if any based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.10 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 / Management Company during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable is payable to the distributors / Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company 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.

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

Element of income represents the difference between NAV 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.

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 same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guidelines provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.12 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from Government securities and investment in debt securities are recognized using the effective interest rate method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recognised in the Income Statement, in the period in which they arise.
- Profit on balance with banks is recognised on time proportion basis.

5. BALANCES WITH BANKS	Note	2026	2025
		----- (Rupees in '000) -----	
Savings accounts	5.1 & 5.2	1,647,249	7,586,796
Current accounts		18	19
		1,647,267	7,586,814

5.1 These accounts carry profit rates ranging from 6% to 11.25% (June 30, 2025: 6% to 21.35%) per annum.

5.2 This includes a balance held by Habib Bank Limited (a related party), amounting to Rs. 389.618 million (June 30, 2025: Rs. 6,516.28 million) which carry profit rates ranging from 9.95% to 11.31% (June 30, 2025: 8% to 21.35%) per annum.

6. INVESTMENTS	Note	2026	2025
		----- (Rupees in '000) -----	
At fair value through profit or loss	6.1	8,062,631	10,178,317
At amortised cost	6.2	-	-
		8,062,631	10,178,317

6.1 Financial assets at fair value through profit or loss

Corporate sukuk bonds	6.1.1	3,780,796	3,437,396
GOP Ijara sukuk certificates	6.1.4	4,281,835	6,740,921
		8,062,631	10,178,317

6.1.1 Corporate sukuk bonds

Investments	As at July 1, 2025	Purchases made during the year	Sales / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Provision against non-performing securities	Market value as a percentage of	
									Total investments	Net assets
	(Number of units)				(Rupees in '000)				%	
Corporate sukuk bonds - listed										
Agha Steel Industries Limited (6.1.1.2)	4,964	-	-	4,964	-	-	-	-	0.00%	0.00%
	4,964	-	-	4,964	-	-	-	-	0.00%	0.00%
Corporate sukuk bonds - unlisted										
TPL Corporation Limited	150	-	-	150	5,000	5,000	-	-	0.06%	0.06%
PKMCLSC4 28-04-2025	695	-	695	-	-	-	-	-	0.00%	0.00%
PTCLSTSXII 18-12-25	750	-	750	-	-	-	-	-	0.00%	0.00%
PTCSTSXI 19-03-2025	750	-	750	-	-	-	-	-	0.00%	0.00%
STPLSTS2 16-12-25	355	-	355	-	-	-	-	-	0.00%	0.00%
LEPCLSC21 14-02-2025	570	-	570	-	-	-	-	-	0.00%	0.00%
APPLSTS1 06-07-2025	300	-	300	-	-	-	-	-	0.00%	0.00%
BCEM STS	-	105	105	-	-	-	-	-	0.00%	0.00%
CPHLSTS 3	-	300	300	-	-	-	-	-	0.00%	0.00%
GO STS 1	-	285	-	285	285,000	285,000	-	-	3.43%	3.43%
KE STS33 23-7-2025	-	393	393	-	-	-	-	-	0.00%	0.00%
LEPLSTS2	-	512	512	-	-	-	-	-	0.00%	0.00%
MFL STS1	-	200	-	200	200,000	200,000	-	-	2.41%	2.41%
TWASTS	-	225	-	225	225,000	225,000	-	-	2.71%	2.71%
ISILSC6 6-2-2026	-	130	-	130	130,000	130,000	-	-	1.57%	1.57%
PTCLSC16 29-9-2025	-	750	750	-	-	-	-	-	0.00%	0.00%
PTCLSC16B 9-1-2026	-	700	-	700	700,000	700,000	-	-	8.44%	8.43%
PTCLSC18 17-3-26	-	622	-	622	622,000	622,000	-	-	7.50%	7.49%
PTCLSTS B - 13-4-2026	-	275	-	275	275,000	275,000	-	-	3.31%	3.31%
PTCLSTS XIII 9-7-25	-	388	388	-	-	-	-	-	0.00%	0.00%
PTCSC 9-1-26	-	700	700	-	-	-	-	-	0.00%	0.00%
PTLSTS1 2-1-26	-	300	-	300	300,000	300,000	-	-	3.62%	3.61%
PTCSCXIV 11-07-2025	-	619	619	-	-	-	-	-	0.00%	0.00%
STPLSC4 18-12-26	-	450	450	-	-	-	-	-	0.00%	0.00%
STPLSC3 28-10-25	-	300	300	-	-	-	-	-	0.00%	0.00%
STPLSC5 15-6-26	-	380	-	380	380,000	380,000	-	-	4.58%	4.58%
K-Electric Limited SUK 23-11-22	-	2,570	-	2,570	184,209	183,948	(261)		2.22%	2.22%
SFPLSC 19-05-2025	-	1,000	-	1,000	100,000	99,848	(152)		1.20%	1.20%
BCEMSTSII 23-4-26	-	150	-	150	150,000	150,000	-	-	1.81%	1.81%
CPHLSTS 4 22-6-26	-	225	-	225	225,000	225,000	-	-	2.71%	2.71%
TPL Trakker Limited	44	-	44	-	-		-	-	0.00%	0.00%
	3,614	11,579	7,981	7,212	3,781,209	3,780,796	(413)	-	45.56%	45.53%
Total - as at June 30, 2026	**8,578**	**11,579**	**7,981**	**12,176**	**3,781,209**	**3,780,796**	**(413)**	**-**	**46%**	**46%**
Total - as at June 30, 2025	8,458	3,420	3,300	8,578	3,444,658	3,437,396	(7,262)	39,354	33.77%	19.56%

*in case of debt securties against which provision has been made, these are carried at carrying value less provision.

6.1.1.1 Detail of non-compliant investment

The Securities and Exchange Commission of Pakistan (SECP), vide Circular no. 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 (the Management Company) classified HBL Islamic Income Fund (the Fund) as an 'Income scheme' in accordance with the said Circular. As at June 30, 2026, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) of the annexure by the circular which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Following Investment of the Funds are in sukuk certifcates which are non-compliant securities. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investment	Type of investment	Value of Investment before provision	Provision held (if any)	Value of investment after provision	percentage of	
					Net assets of the Fund	Total assets of the Fund
		----------(Rupees in 000)----------			----------%----------	
Agha Steel Industries Limited	Non-traded sukuk certficates	49,640	49,640	-	-	-
Total as at June 30, 2026		**49,640**	**49,640**	**-**	**-**	**-**
Total as at June 30, 2025		**49,640**	**49,640**	**-**	**-**	**-**

6.1.1.2 On March 7, 2024, sukuk certificates of Agha Steel Industries Limited were classified as non-performing by Mutual Funds Of Associations (MUFAP). Therefore, in accordance with the requirement of SECP's circular No. 33 of 2012, the sukuk certificates have been classified as non-performing asset and no further profit has been accrued thereafter. Further, in accordance with the said circular, an amount of Rs. 49.64 million (2025: 49.64 million) has been held as provision against the outstanding principal as at June 30, 2026. The face value of sukuk certificate is Rs. 49.64 million as at 30 June, 2026.

6.1.1.3 Movement of provision

	2026	2025
	---- (Rupees in) ----	
Balance as at July 1, 2025	49,640	10,286
charge for the year	-	39,354
Balance as at June 30, 2026	49,640	49,640

6.1.2 These corporate sukuk bonds, carry profit at the rates ranging from 10.26% to 14.31% (June 30, 2025: 11.38% to 19.32%) per annum.

6.1.3 Significant terms and conditions of corporate sukuk bonds as at June 30, 2026 are as follows:

Name of the investee company	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
		-------(Rupees in '000)-------			
TPL Corporation Limited	Quarterly	15,000	3 month KIBOR + 2.25%	June 23, 2022	June 23, 2027
Gas & Oil Pakistan Limited	At Maturity	285,000	6 month KIBOR + 0.40%	January 8, 2026	July 08, 2026
Matco Foods Limited	At Maturity	200,000	6 month KIBOR + 1.00%	February 26, 2026	August 26, 2026
Transworld Associates (Private) Limited	At Maturity	225,000	6 month KIBOR + 0.65%	April 16, 2026	October 16, 2026
Ismail Industries Limited	At Maturity	130,000	3 month KIBOR - 0.15%	February 06, 2026	August 06, 2026
Pakistan Telecommunication Company Limited	At Maturity	700,000	3 month KIBOR	January 09, 2026	July 09, 2026
Pakistan Telecommunication Company Limited	At Maturity	622,000	3 month KIBOR	March 17, 2026	September 17,
Pakistan Telecommunication Company Limited	At Maturity	275,000	3 month KIBOR	April 13, 2026	October 13, 2026
Panther Tyres Limited's	At Maturity	300,000	6 month KIBOR + 0.50%	Jan 02, 2026	July 02 2026
Select Technology Private Limited	At Maturity	380,000	6 month KIBOR + 1.75%	June 15, 2026	December 14,
K-Electric Limited	Quarterly	183,948	3 month KIBOR + 1.70%	November 23,	November 23,
Sunridge Foods (Private) Limited	Semi Annually	99,848	6 month KIBOR + 0.70%	May 05, 2025	May 05, 2030
Burj Clean Energy Modaraba	At Maturity	150,000	6 month KIBOR + 1.50%	April 23, 2026	November 23,
Citi Pharma Limited (CPHL).	At Maturity	225,000	3 month KIBOR + 0.70%	June 22, 2026	December 22,

6.1.4 **GOP Ijara sukuk certificates**

Issue Details	Issue date	Face value				Carrying value as at 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2025	Purchases during the year	Sales / matured during the period	As at June 30, 2026					
		---------- (Rupees in '000) ----------							----------%----------	
GOPIS-FRR 26-06-26	26-Jun-25	400,000	935	400,935	-	-	-	-	0.00%	0.00%
GOPIS-FRR 18-09-2027	18-Sep-24	62,500	-	-	62,500	66,250	64,050	(2,200)	0.77%	0.77%
GOPIS FRR 21-10-2027	21-Oct-24	1,650,000	-	-	1,650,000	1,698,345	1,653,135	(45,210)	19.92%	19.91%
GOPIS FRR 30-05-2028	30-May-25	-	562,500	-	562,500	567,736	555,244	(12,492)	6.69%	6.69%
GOPIS FRR 30-05-2030	30-May-25	-	62,500	-	62,500	62,389	61,038	(1,352)	0.74%	0.74%
GOPIS VRR 18-09-2027	18-Sep-24	62,500	-	-	62,500	63,006	62,694	(312)	0.76%	0.76%
GOPIS VRR 21-10-2027	21-Oct-24	125,000	-	-	125,000	126,038	124,000	(2,038)	1.49%	1.49%
GOPIS FRR 21-10-2029	21-Oct-24	250,000	-	-	250,000	264,850	255,475	(9,375)	3.08%	3.08%
GOPIS VRR 21-10-2029	21-Oct-24	125,000	-	-	125,000	127,313	123,625	(3,688)	1.49%	1.49%
GOPIS VRR 30-05-2030	30-May-25	62,500	-	-	62,500	62,513	61,438	(1,076)	0.74%	0.74%
GOPIS 12M 04-12-2024	4-Dec-24	250,000	-	250,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 04-12-2024	4-Dec-24	5	-	5	-	-	-	-	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-24	2,750,000	-	2,750,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-24	5	-	5	-	-	-	-	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-24	5	-	5	-	-	-	-	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-24	1,000	-	1,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-24	10	-	10	-	-	-	-	0.00%	0.00%
GOPIS 12M 07-11-2024	7-Nov-24	5	-	5	-	-	-	-	0.00%	0.00%
GOPIS 12M 09-01-2025	9-Jan-25	20	-	20	-	-	-	-	0.00%	0.00%
GOPIS 12M 17-09-2025	18-Sep-24	250,000	-	250,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 21-10-2024	21-Oct-24	125,000		125,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-24	1,000,000		1,000,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-24	5		5	-	-	-	-	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-24	5		5	-	-	-	-	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-24	1,000		1,000	-	-	-	-	0.00%	0.00%
GOPIS 12M 25-07-2024	25-Jul-24	25		25	-	-	-	-	0.00%	0.00%
GOPIS 12M 21-08-2025	21-Aug-25	-	250,000	-	250,000	246,759	246,275	(484)	2.97%	2.97%
GOPIS 12M 21-08-2025	21-Aug-25	-	125,000	-	125,000	123,379	123,138	(242)	1.48%	1.48%
GOPIS 12M 21-08-2025	21-Aug-25	-	250,000	-	250,000	246,759	246,275	(484)	2.97%	2.97%
GOPIS 12M 22-01-2026	22-Jan-26	-	750,000	-	750,000	713,733	705,448	(8,285)	8.50%	8.50%
Total - as at June 30, 2026		**7,114,585**	**2,000,935**	**4,778,020**	**4,337,500**	**4,369,070**	**4,281,835**	**(87,238)**	**53.11%**	**51.57%**
Total - as at June 30, 2025		6,684,100	38,936,585	38,506,100	7,114,585	7,045,847	6,740,921	(304,925)	40.11%	23.24%

6.1.5 These GOP Ijara sukuk certificates carry profit at the rates ranging from 10.31% to 18.49% (June 30, 2025: 10.57% to 18.49%) per annum.

6.2 **At amortised cost**	Note	2026	2025
		--- (Rupees in '000) ---	
Term Deposit Receipts (TDRs)	6.2.1	-	-
Bai Muajjal		-	-
		-	-

6.2.1 At amortised cost - Term Deposit Receipts

Name of the investee compmay	As at July 1, 2025	Placement made during the year	Income accrued	Matured / sold during the year	As at June 30, 2026	Percentage of net assets	Percentage of total of investments
	---------- (Rupees in '000) ----------						
Faysal Bank Limited	-	7,200,000	7,138	7,207,138	-	0.00%	0.00%
Meezan Bank Limited	-	7,800,000	23,927	7,823,927	-	0.00%	0.00%
United Bank Limited	-	4,800,000	1,407	4,801,407	-	0.00%	0.00%
MCB Bank Limited	-	28,100,000	27,245	28,127,245	-	0.00%	0.00%
The Bank of Khyber	-	25,150,000	40,022	25,190,022	-	0.00%	0.00%
Dubai Islamic Bank	-	4,400,000	8,351	4,408,351	-	0.00%	0.00%
Habib Bank Limited	-	3,500,000	3,923	3,503,923	-	0.00%	0.00%
Askari Bank Limited	-	2,000,000	4,563	2,004,563	-	0.00%	0.00%
Total - as at June 30, 2026	**-**	**82,950,000**	**116,576**	**83,066,576**	**-**	**0.00%**	**0.00%**
Total - as at June 30, 2025	1,544,901	80,999,243	89,498	82,633,643	-	0.00%	0.00%

6.2.2 This Term deposit receipts carry profit rates at the rates ranging from 10.20% to 11.50% (June 30, 2025: 10.70% to 21.05%) per annum.

6.2.3 At amortised cost - Bai Muajjal

Investee Company	As at July 1, 2025	Placemant made during the year	Income Accrued	Matured	As at June 30, 2026	Percentage of total net assets	Percentage of total investments
	---------- (Rupees in '000) ----------						
Pak Libya Holding Company Limited	-	1,562,638	84,062	1,646,700	-	0.0%	0.0%
Pak Oman Investment Company Limited	-	3,060,742	44,791	3,105,533	-	0.0%	0.0%
Pak Brunei Investment Company Limited	-	2,603,831	77,317	2,681,148	-	0.0%	0.0%
Total - as at June 30, 2026	**-**	**7,227,211**	**206,170**	**7,433,381**	**-**	**0.00%**	**0.00%**
Total - as at June 30, 2025	-	9,108,631	223,235,687	232,344,318	-	0.00%	0.00%

6.2.3.1 These Bai Muajjal carry profit rates at the rates ranging from 10.30% to 10.92% (June 30, 2025: 11.07% to 19.05%) per annum.

		Note	2026	2025
			---- (Rupees in '000) ----	
6.3	**Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss' - net**			
	Market value of investments	6.1.1, 6.1.4	8,297,781	10,178,317
	Carrying value of investments	6.1.1, 6.1.4	(8,388,191)	(10,490,505)
			(90,410)	(312,188)
7.	**PROFIT RECEIVABLE**			
	Profit on saving accounts	7.1	38,097	26,382
	Corporate sukuk bonds		124,518	105,467
	GOP Ijara sukuk certificates		60,201	111,762
			222,816	243,611

7.1 This includes Rs. 65.248 million (June 30, 2025: 101.84 million) receivable from Habib Bank Limited, a related party.

		2026	2025
8.	**DEPOSITS AND OTHER RECEIVABLE**	---- (Rupees in '000) ----	
	Security deposits with Central Depository-Company of Pakistan Limited	100	100
	Other receivable	-	2,815
		100	2,915

9.	PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026 ---- (Rupees in '000) ----	2025
	Remuneration payable to the management company	9.1	11,830	12,448
	Sindh sales tax payable on management company's remuneration	9.2	1,579	1,867
	Sales load payable		62	850
			13,471	15,165

9.1 As per Regulation 61 of the amended NBFC regulation, the Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the Offering Document is 1.5% per annum of average annual net assets. During the year, the fee is being charged at the rate ranging from 1.00% to 1.50% (2025 : 0.50% to 1.36%) of the average annual net assets accordingly. The fee is payable monthly in arrears.

9.2 Sindh sales tax levied through Sindh Sales Tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Management Company.

10.	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED	Note	2026 -- Rupees in '000 --	2025
	Remuneration Payable to Trustee	10.1	774	903
	Sindh Sales Tax payable on remuneration of Trustee	10.2	116	135
			890	1,038

10.1 As per CDC vide notification CDC/CEO/L-112/02/2019, dated June 27, 2019, Trustee fee shall be charged at the rate 0.075% of the average annual net assets of the Fund. During the year, Management Company has charged the Trustee fee accordingly.

10.2 Sindh sales tax, levied through Sindh Sales Tax on Services Act, 2011 on remuneration of Trustee was charged at the rate of 15% per annum (2025: 15% per annum).

11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

11.1 In accordance with the NBFC Regulations, 2008, a trustee to a collective investment scheme classified as an Income Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged the SECP fee at the rate of 0.075% (2025: 0.075%) of net assets during the current year.

12.	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 --- Rupees in '000 ---	2025
	Provision for Federal Excise Duty	12.1	1,344	1,344
	Withholding tax payable		172,817	243,627
	Auditors' remuneration		399	282
	Security transaction costs and settlement charges payable		40	-
	Mutual fund rating fee payable		135	270
	Other payables		423	1,523
			175,158	247,046

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

The Court through its order dated June 02, 2016, in CPD-3184 of 2014 (and others) filed by various taxpayers, has interalia declared that Federal Excise Act, 2005 (FED Act) is on services, other than shipping agents and related services, is ultra vires to the Constitution of Pakistan (the Constitution) from July 01, 2011. However, the declaration made by the Court, as directed, will have effect in the manner prescribed in the judgment. The SHC in its decision dated July 16, 2016, in respect of a constitutional petition filed by management companies of mutual funds maintained the previous order on the FED.

The Sindh Revenue Board of Pakistan (SRB) and the Federal Board of Revenue (FBR) have filed appeals before the Honourable Supreme Court of Pakistan (SCP) against the Court's decision dated June 02, 2016, which is pending the decision. However, after the exclusion of the mutual funds from federal statute on FED from July 01, 2016, the Fund has discontinued making the provision in this regard.

Since the appeal is pending in the Honorable Supreme Court of Pakistan, the Management Company as a matter of abundant caution has retained provision for FED on management fee aggregating to Rs. 1.344 million. Had the provision not been made, the Net Asset Value per unit of the Fund would have been higher by Rs. 0.0170 (June 30, 2025: Rs. 0.0080) per unit.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 (June 30, 2025: Nil).

14. NUMBER OF UNITS IN ISSUE

	2026	2025
	--- Number of Units ---	
Total units in issue at the beginning of the year	168,853,143	143,644,892
Add: Units issued during the year	368,617,050	356,714,302
Less: Units redeemed during the year	(458,289,359)	(331,506,051)
Total units in issue at the end of the year	79,180,833	168,853,143

15. AUDITORS' REMUNERATION

	2026	2025
	---Rupees in '000---	
Statutory audit fee	371	205
Half yearly review	317	95
Income certification	50	40
Out of pocket expenses	69	30
Sales tax	65	30
	871	400

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 as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current year as the Fund has distributed required minimum percentage of income earned by the Fund for the year ending 30 June 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

17 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2026			
	At fair value through OCI	At fair value through profit or loss	At amortised cost	Total
	---------- (Rupees in '000) ----------			
Financial Assets				
Balances with banks	-			1,647,267
Investments	-	-	1,647,267	
Corporate Sukuk Bonds	-	3,780,796	-	3,780,796
GOP Ijara sukuk certificates	-	4,281,835	-	4,281,835
Profit receivable	-	-	222,816	222,816
Deposits and other receivable	-	-	100	100
	-	8,062,631	1,870,184	9,932,813
Financial Liabilities				
Payable to the HBL Asset Management Company - Management Company	-	-	13,471	13,471
Payable to the Central Depository Company - Trustee	-	-	890	890
Payable to SECP	-		770	770
Accrued expenses and other liabilities	-	-	175,158	175,158
Payable against conversion of units	-	-	1,437,371	1,437,371
Dividend payable	-	-	2,060	2,060
	-	-	1,629,721	1,629,721

Particulars	At fair value through OCI	2025 Fair value through profit or loss	2025 Amortised cost	2025 Total
		--------- (Rupees in '000) ---------		
Financial assets				
Balances with banks		-	7,586,814	7,586,814
Investments				
Corporate Sukuk Bonds		3,437,396	-	3,437,396
GOP Ijara sukuk certificates		6,740,921	-	6,740,921
Profit receivable		-	243,611	243,611
Deposits and other receivable		-	100	100
	-	10,178,317	7,830,525	18,008,842
Financial liabilities				
Payable to the HBL Asset Management Company - Management Company		-	13,297	13,297
Payable to the Central Depository Company - Trustee		-	903	903
Accrued expenses and other liabilities		-	2,075	2,075
		-	16,275	16,275

18 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

18.1 Connected persons/Related parties include HBL Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, 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, any person or company 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 and key management personnel of the Management Company.

18.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at 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 NBFC Regulations which are publicly available documents.

Details of the transactions with connected persons and balances with them are as follows:

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

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

18.5 Details of the transactions with connected persons are as follows:	2026	2025
	----Rupees in '000----	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	120,286	251,752
Sindh Sales Tax on remuneration of the Management Company	18,043	37,763
Sales load	494	481
Redemption of units 196,117 Units (June 30, 2025: Nil units)	22,318	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	13,641	12,729
Sindh Sales Tax on Trustee Remuneration	2,046	1,909

	2026	2025
	----Rupees in '000----	
Habib Bank Limited - Sponsors		
Bank charges	122	293
Profit on bank deposit earned	65,248	33,930
Issue of 3,425,455 Units (June 30, 2025: Nil Units)	382,792	-
Redemption of units 3,386,995 Units (June 30, 2025: Nil units)	377,025	-
Key management personnel		
Issue of 653,835 units (June 30, 2025: 276,208 units)	70,189	29,838
Redemption of units 590,150 Units (June 30, 2025: 331,556 units)	63,170	36,810
HBL Asset Management Limited - Employees' Gratuity Fund		
Issue of 2,233 Units (June 30, 2025: 3,809 Units)	327	395
HBL Asset Management Limited - Employees' Provident Fund		
Issue of 6,617 Units (June 30, 2025: 11,292 Units)	970	1,172
Jubilee Life Insurance Company Limited		
Issue of 403,299 (June 30, 2025: 531,726) units	59,117	73,527
HBL Islamic Pension Debt Fund under common management		
Purchase GOP Ijara Sukkuk	30,837	30,837
Habib Bank Limited		
Purchase GOP Ijara Sukkuk	2,604,081	2,067,306
Sale of GOP Ijara Sukuk	1,051,980	5,536,821
HBL Financial Sector Income Fund - Plan I		
Purchase KELSC6	241,352	-
HBL Islamic Money Market Fund		
Sale of GOP Ijara Sukuk	373,315	-
HBL Islamic Savings Fund Plan I		
Sale of GOP Ijara Sukuk	405,998	-
HBL Income Fund		
Purchase SFPLSC1	100,033	-
HBL Islamic Fixed Term Fund Plan II		
Sale of GOP Ijara Sukuk	98,000	-
18.6 Balances outstanding as at year end		
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	11,830	12,448
Sindh Sales Tax payable on Management Company's remuneration	1,579	1,867
Sales load payable	62	850
Units held: Nil (June 30, 2025: 196,117)	-	22,318
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	774	903
Sindh Sales Tax on remuneration of the Trustee	116	135
Habib Bank Limited - Sponsor		
Bank balances	950,048	6,516,285
Units held: 38,460 (June 30, 2025: 196,117)	4,033	-

	2026	2025
	----Rupees in '000----	
HBL Asset Management Limited - Employees' Gratuity Fund		
Units held: 35,631 (June 30, 2025: 33,398)	3,736	3,475
HBL Asset Management Limited - Employees' Provident Fund		
Units held: 105,597 (June 30, 2025: 98,980)	11,073	10,300
Jubilee Life Insurance Company Limited		
Units held: 6,435,678 (June 30, 2025: 6,032,379)	674,861	627,729
Key management personnel		
Units held: 243,354,992 (June 30, 2025: 91,992) units	25,454	9,573

19 FINANCIAL RISK MANAGEMENT

The Fund's overall risk management policy 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 risk and other price risk), credit risk and liquidity risk. Risk of the fund is 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 Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Fund primarily invests in a mix of government securities and ijarah sukuks.

19.1 Market risk

Market risk is that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Fund manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee and regulations laid down by the SECP. 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 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 operations are geographically restricted to Pakistan and all transactions are carried out in Pakistani Rupees.

19.1.2 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. 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. The interest rate profile of the Fund's interest bearing financial instruments as at June 30, 2026 is as follows:

Variable rate instruments (financial assets)	---(Rupees in '000)---	
Balances with banks	1,647,267	7,586,814
Sukuks	3,780,796	3,437,396
	5,428,063	11,024,210
Fixed rate instruments (financial assets)		
GOP Ijara sukuk certificates	4,281,835	6,740,921

a) Sensitivity analysis for variable rate instruments

As at June 30, 2026, the Fund holds KIBOR based interest bearing sukuks exposing the Fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in KIBOR on June 30, 2026, 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. 51.93 million (2025: Rs. 110.24 million).

b) Sensitivity analysis for variable rate instruments

In case of 100 basis points increase / (decrease) in rates announced by the Financial Markets Association of Pakistan with all other variables held constant, the net income for the year and net assets would have been higher or lower by Rs. 45.17 million (2025: Rs. 67.41 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, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates. 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 financial instruments is based on the settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

Particulars	As at June 30, 2026					
	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		
	Note	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	6 - 11.31	1,647,249	-	-	18	1,647,268
Investments						
Corporate sukuk bonds	10.26 - 14.25	-	3,780,796	-	-	3,780,796
GOP Ijara sukuk certificates	10.31 - 18.49	-	4,281,835	-	-	4,281,835
Profit receivable		-	-	-	222,816	222,816
Deposits and other receivable		-	-	-	100	100
Sub total		1,412,099	8,062,631	-	222,934	9,932,815
Financial liabilities						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	13,471	13,471
Payable to the Central Depository Company - Trustee		-	-	-	890	890
Accrued expenses and other liabilities		-	-	-	175,158	175,158
Sub total		-	-	-	189,519	189,519
On-balance sheet gap (a)		1,647,249	8,062,631	-	33,415	9,743,296
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		1,647,249	8,062,631	-	33,415	9,743,296
Cumulative interest rate sensitivity gap		1,647,249	8,062,631	-		

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		
	Note	(Rupees in '000)				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	8 - 21.35	7,586,796	-	-	19	7,586,814
Investments						
Corporate sukuk bonds	11.38 - 19.32	-	3,437,396	-	-	3,437,396
GOP Ijara sukuk certificates	10.57 - 18.49	-	6,740,921	-	-	6,740,921
Profit receivable		-	-	-	243,611	243,611
Deposits and other receivable		-	-	-	100	100
		7,586,796	10,178,317	-	243,729	18,008,842
Financial liabilities						
Payable to the Management Company		-	-	-	13,297	13,297
Payable to the Trustee		-	-	-	903	903
Accrued expenses and other liabilities		-	-	-	2,075	2,075
		-	-	-	16,275	16,275
On-balance sheet gap (a)		7,586,796	10,178,317	-	227,454	17,992,568
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,586,796	10,178,317	-	227,454	17,992,568
Cumulative interest rate sensitivity gap		7,586,796	10,178,317	-		

19.1.3 Price risk

Price risk is 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 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 not exposed to equity securities price risk as the Fund does not hold any equity securities as at June 30, 2026.

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 its investment in sukuks, certificate of investment, receivables and balances with banks. The credit risk on liquid funds is limited because the counter parties are financial institutions with reasonably high credit ratings. In addition, the internal risk management policies and investment guidelines (approved by Investment Committee) require the Fund to invest in Shariah Compliant debt securities that have been rated as investment grade by a well known rating agency.

	2026		2025	
	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	1,647,267	1,647,267	7,586,814	7,586,814
Investments	8,062,631	8,062,631	10,178,317	10,178,317
Markup receivable	222,816	222,816	243,611	243,611
Security deposit	100	100	2,915	2,915
	9,932,814	9,932,814	18,011,657	18,011,657

The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2026 and June 30, 2025.

	2026			
	Balances held by the Fund as at June 30, 2026	Rating agency	Published rating	Percentage of total bank balances
Bank balances	**(Rupees in '000)**			
Name of the bank				
Al Baraka Bank Pakistan Limited	55,702	VIS	A-1	3.94
Bank Al Habib Limited	334,763	PACRA	A-1+	23.71
Bank Alfalah Limited	30	PACRA	A-1+	0.00
Bank Islami Pakistan Limited	28,868	PACRA	AA	2.04
Faysal Bank Limited	11,622	VIS	A-1+	0.82
Habib Bank Limited	950,048	VIS	A-1+	67.28
MCB Islamic Bank Limited	19	PACRA	A-1+	0.00
National Bank of Pakistan	19,835	PACRA	A-1+	1.40
Bank of Khyber	13	PACRA	A-1	0.00
United Bank limited	11,072	VIS	A-1+	0.78
Soneri Bank Limited	145	PACRA	A-1+	0.01
	1,412,117			100.00

	2025			
	Balances held by the Fund as at June 30, 2025	Rating agency	Published rating	Percentage of total bank balances
Bank balances	(Rupees in '000)			
Name of the bank				
Al Baraka Bank Pakistan Limited	32,299	VIS	A-1	0.43
Bank Al Habib Limited	70	PACRA	A-1+	0.00
Bank Alfalah Limited	20	PACRA	A-1+	0.00
Bank Islami Pakistan Limited	3,329	PACRA	A-1	0.04
Faysal Bank Limited	24	VIS	A-1+	0.00
Habib Bank Limited	6,516,285	VIS	A-1+	85.89
MCB Islamic Bank Limited	1,603	PACRA	A-1+	0.02
National Bank of Pakistan	1,648	PACRA	A-1+	0.02
Bank of Khyber	13	PACRA	A-1	0.00
United Bank limited	417	VIS	A-1+	0.01
U Micro Finance Bank	793	PACRA	A-1	0.01
Soneri Bank Limited	1,030,315	PACRA	A-1+	13.58
	7,586,814			100.00

	2026			
	Balances held by the Fund as at June 30, 2026	Rating agency	Published rating	Percentage of total bank balances
Sukuks	(Rupees in '000)			
Name of the investee company				
TPL Corporation Limited	15,000	AA-	PACRA	0.40
GO STS 1	285,000	A-1	PACRA	7.52
MFL STS1	200,000	A-1	VIS	5.28
TWASTS	225,000	A-1	PACRA	5.94
ISILSC6 6-2-2026	130,000	A-1	PACRA	3.43
PTCLSC16B 9-1-2026	700,000	A-1+	VIS	18.47
PTCLSC18 17-3-26	622,000	A-1+	VIS	16.41
PTCLSTS B - 13-4-2026	275,000	A-1+	VIS	7.25
PTLSTS1 2-1-26	300,000	A-1	PACRA	7.91
STPLSC5 15-6-26	380,000	A-1	PACRA	10.02
K-Electric Limited SUK 23-11-22	183,948	AA-	PACRA	4.85
SFPLSC 19-05-2025	99,848	AAA-	VIS	2.63
BCEMSTSII 23-4-26	150,000	A-1	VIS	3.96
CPHLSTS 4 22-6-26	225,000	A+	PACRA	5.94
	3,790,796			100.00

	2025			
	Balances held by the Fund as at June 30, 2025	Rating agency	Published rating	Percentage of total bank balances
Sukuks	(Rupees in '000)			
Name of the investee company				
TPL Corporation Limited	9,999	AA-	PACRA	0.29
PKMCLSC4 28-04-2025	695,000	A-1	VIS	20.22
PTCLSTSXII 18-12-25	750,000	A-1+	VIS	21.82
PTCSTSXI 19-03-2025	750,000	A-1+	VIS	21.82
SLSTS2 16-12-25	355,000	A-1	PACRA	10.33

	2025			
	Balances held by the Fund as at June 30, 2025	Rating agency	Published rating	Percentage of total bank balances
	(Rupees in '000)			
LEPCLSC21 14-02-2025	570,000	A-1+	PACRA	16.58
APPLSTS1 06-07-2025	300,000	A-1	VIS	8.73
TPL Trakker Limited	7,397	A+	PACRA	0.22
	3,437,396			100.00

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets.

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 mostly concentrated in balances held with commercial banks.

19.3 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 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 damages to the Fund's reputation.

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 10% of the net assets upto 90 days and would be secured by the assets of the Fund. The facility would bear interest at commercial rates. However, no borrowing was obtained by the Fund during the current year.

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

Particulars	As at June 30, 2026			
	Upto three months	Over three months and upto one year	Over one year	Total
		-------- (Rupees in '000) --------		
Financial liabilities				
Payable to the Management Company	13,471	-	-	13,471
Payable to the Trustee	890	-	-	890
Accrued expenses and other liabilities	175,158	-	-	175,158
	176,048	-	-	176,048

Particulars	As at June 30, 2025			
	Upto three months	Over three months and upto one year	Over one year	Total
		-------- (Rupees in '000) --------		
Financial liabilities				
Payable to the Management Company	13,297	-	-	13,297
Payable to the Trustee	903	-	-	903
Accrued expenses and other liabilities	2075	-	-	2,075
	16,275	-	-	16,275

20 UNITS HOLDERS' FUND

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 restrictions on the subscription and redemption of units.

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 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short term borrowings or disposal of investments, where necessary.

As required under the NBFC Regulations, every open end scheme shall maintain minimum fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of scheme. The Fund has maintained and complied with the requirements of minimum fund size during the year.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026, the Fund held the following financial instruments measured at fair values:

Particulars	Note	June 30, 2026						
		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								
Corporate sukuk bonds		3,437,396	-	3,437,396	-	3,437,396	-	3,437,396
GoP Ijara sukuk certificates		6,740,921	-	6,740,921	6,740,921		-	6,740,921
		10,178,317	-	10,178,317	6,740,921	3,437,396	-	10,178,317
Financial assets measured at amortised cost	0							
Balances with banks		-	7,586,815	7,586,815				
Profit receivable		-	243,611	243,611				
Deposits and other receivable		-	100	100				
		-	7,830,526	7,830,526				
Financial liabilities measured at amortised cost	0							
Payable to the Management Company		-	13,297	13,297				
Payable to the Trustee		-	903	903				
Accrued expenses and other liabilities		-	2,075	2,075				
		-	16,275	16,275				

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Note	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Corporate sukuk bonds	3,780,796	-	3,780,796	-	3,780,796	-	3,780,796
GoP Ijara sukuk certificates	4,281,835	-	4,281,835	4,281,835		-	4,281,835
	8,062,631	-	8,062,631	4,281,835	3,780,796	-	8,062,631
Financial assets measured at amortised cost							
Balances with banks	-	1,647,268	1,647,268				
Profit receivable	-	222,816	222,816				
Deposits and other receivable	-	100	100				
	-	1,870,184	1,870,184				
Financial liabilities measured at amortised cost							
Payable to the Management Company	-	13,471	13,471				
Payable to the Trustee	-	890	890				
Accrued expenses and other liabilities	-	175,158	175,158				
	-	189,519	189,519				

During the year ended June 30, 2026, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

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

22. TRANSACTIONS WITH BROKERS / DEALERS

List of brokers by percentage of commission paid for the year ended June 30, 2026:

Particulars	Percentage %
Next Capital Limited	100.00

List of brokers by percentage of commission paid for the year ended June 30, 2026:	Percentage %
Al Falah CLSA Securities (Pvt) Ltd	12.22
BMA Capital Management Ltd.	14.70
Continental Exchange (Pvt) Ltd.	13.99
Icon Management (Pvt) Ltd.	13.22
JS Global Capital Limited	14.44
Next Capital Limited	14.00
Paramount Capital (Pvt) Ltd.	12.89
Vector Securities (Private) Ltd.	4.54

23. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1	Mir Adil Rashid	Chief Executive Officer	BSc	27
2	Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3	Amin Mohammad	Head of Risk	MBA	34
4	Hammad Ali Abbas	Senior Fund Manager	MSC Business & IT, Computing	22
5	Nida Siddiqui	Assistant Fund Manager	MBA	1

* Hammad Ali Abbas is the Fund manager.

24 PATTERN OF UNIT HOLDING

	As at June 30, 2026		
	Number of unit holders accounts	Investment amount	Percentage of total investment
		-Rupees in '000'-	(%)
Category			
Individuals	4,224	4,743,218	57.13%
Associated company	1	-	0.00%
Insurance companies	7	724,577	8.73%
Retirement funds	31	1,087,138	13.09%
Trust	12	316,182	3.81%
Foreign investors	7	4,662	0.06%
Others	42	1,427,317	17.19%
	4,324	**8,303,094**	**100.00%**

	As at June 30, 2025			
	Number of unit holders accounts	Investment amount		Percentage of total investment
		-Rupees in '000'-		(%)
Category				
Individuals	4,524	129,643,476	13,490,687	76.78%
Associated company	1	196,117	20,408	0.12%
Insurance companies	7	9,033,460	940,021	5.35%
Retirement funds	29	10,651,153	1,108,358	6.31%
Trust	7	793,141	82,534	0.47%
Foreign investors	8	50,603	5,266	0.03%
Others	38	18,485,193	1,923,567	10.95%
	4,614	**168,853,143**	**17,570,841**	**100.00%**

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

Nine meetings of the Board of Directors were held on August 28,2025 , October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026, June 23, 2026. 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 during tenor of directorship	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Mr. Mir Adil Rashid	9	9	-	-
3	Mr. Khalid Malik	9	9	-	-
4	Ms. Sheeza Ahmed	9	9	-	-
5	Ms. Ava A. Cowasjee	9	8	1	121th Meeting
6	Mr. Tariq Masaud	9	8	1	116th Meeting
7	Mr. Abrar Ahmed Mir	9	4	5	114h Meeting, 116th Meeting, 117th Meeting, 118th Meeting, 119th Meeting.
8	Mr. Rayomond H. Kotwal **	6	5	1	117th Meeting
9	Mr. Habib Yousuf Habib *	3	3	-	-
10	Ms. Sahar Awan	3	3	-	-
11	Mr. Irfan Ahmed Meer ***	2	2	-	120th Meeting

* Mr. Habib Yousuf Habib Resigned on November 27,2025.
** Mr. Rayomond H. Kotwal Resigned on April 06,2026.
*** Mr. Irfan Ahmed Meer and Dr. Sahar Awan were appointed on April 06,2026.

26 TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 9.1 of these financial statements. The TER for the period is 0.93% (June 30, 2025: 1.71%) which includes 0.17% (June 30, 2025: 0.29%) representing Government levy and SECP fee.

27 CORRESPONDING FIGURES

The comparative information has been reclassified or rearranged in these financial statements, wherever necessary, to facilitate comparative and to confirm with changes in presentation in the current year. However there were no material reclassification to report.

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 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL

ISLAMIC EQUITY FUND

FUND INFORMATION

NAME OF FUND	HBL Islamic Equity Fund
NAME OF AUDITOR	Yousuf Adil & Co. Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limtied
NAME OF SHARIAH ADVISOR	Al - Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Bank Islami Pakistan Limited Bank Al Baraka Limited MCB Bank Limited Faisal Bank Limited Habib Bank Limited

FUND MANAGER'S REPORT - HBL ISLAMIC EQUITY FUND

Type and Category of Fund

Open end Equity Fund

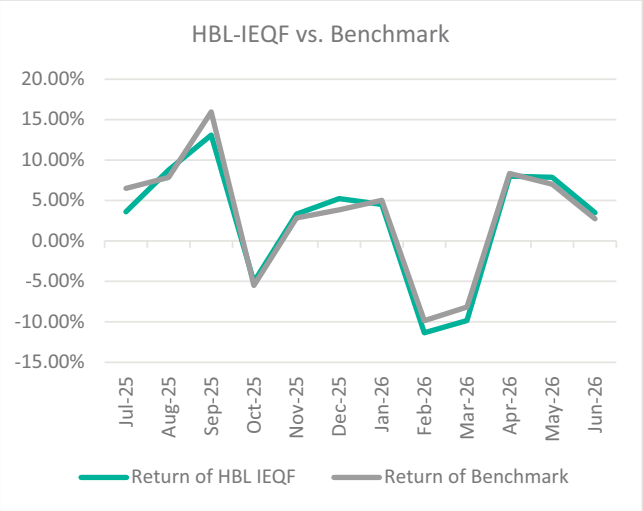
Investment Objective and Accomplishment of Objective

The objective of the Fund is to provide maximum total return to the unit holders from investment in shariah compliant equity investments for the given level of risk.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KMI 30 Index.

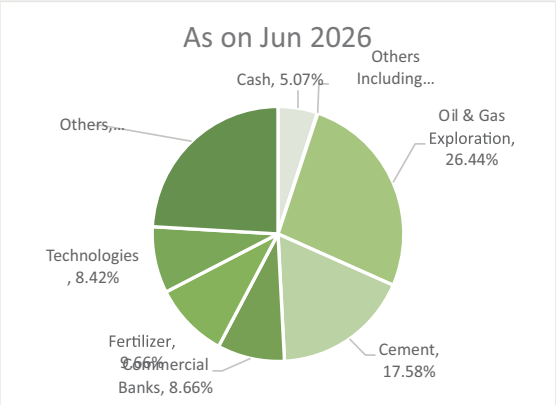
Month	Return of Fund	
	HBL-IEQF	Benchmark
Jun-26	3.49%	2.73%
May-26	7.87%	7.01%
Apr-26	8.00%	8.34%
Mar-26	-9.85%	-8.18%
Feb-26	-11.34%	-9.85%
Jan-26	4.52%	5.03%
Dec-25	5.24%	3.85%
Nov-25	3.32%	2.84%
Oct-25	-5.07%	-5.51%
Sept-25	13.10%	15.96%
Aug-25	8.77%	7.85%
Jul-25	3.60%	6.50%

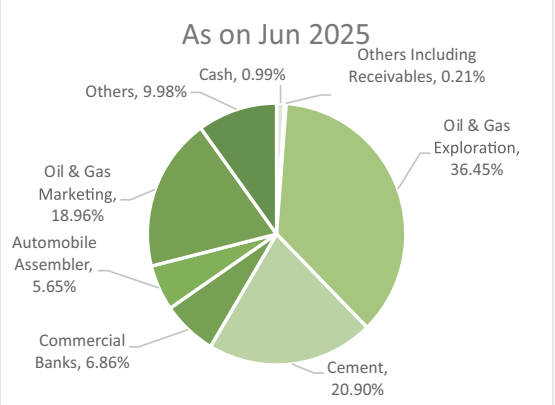


Strategies and Policies employed during the Year

During the year under review, the Fund decreased its exposure in equity from 98.80% of total assets as on June 2025 to 94.85% as on June 2026. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in commercial banks, technology, fertilizer and others was increased, while exposure in oil and gas exploration, oil and gas marketing, autos and cement was decreased.

Asset Allocation





Significant Changes in Asset Allocation during the Year

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2026 and June 30, 2025:

Sector Name	As on June 2017	As on June 2016
Cash	5.07%	0.99%
Others Including Receivables	0.08%	0.21%
Oil & Gas Exploration	26.44%	36.45%
Cement	17.58%	20.90%
Commercial Banks	8.66%	6.86%
Automobile Assembler	0.00%	5.65%
Fertilizer	9.66%	0.00%
Technologies	8.42%	0.00%
Oil & Gas Marketing	0.00%	18.96%
Others	24.09%	9.98%
Total	**100.00%**	**100.00%**

Fund Performance

The total and net income of the Fund was Rs. 356.79 million and Rs. 296.84 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 210.5759 per unit as on June 30, 2026 as compared to Rs. 158.8867 per unit as on June 30, 2025, thereby giving a return of 32.53% during the year, against the benchmark return (KMI 30 Index) of 39.18%. The size of Fund was Rs. 1.35 billion as on June 30, 2026 as compared to Rs. 1.14 billion at the start of the year.

Market Review

During FY2026, the benchmark KMI-30 Index posted an impressive gain of 72,440 points (39.20%), closing at 257,327 points. The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KMI All-Share Index rising to 463 million shares (up 26% from 369 million shares in the same period last year). Average daily traded value surged 34% to PKR 28.5 billion, up from PKR 21.13 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution

The Board of Directors approved NIL dividend for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Fund.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	683	12,917
101 - 500	294	76,743
501 - 1,000	137	99,807
1,001 - 10,000	347	1,236,336
10,001 - 100,000	76	2,097,334
100,001 - 500,000	11	2,070,446
500,001 - 1,000,000	1	827,480
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**1,549**	**6,421,063**

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 - HBL ISLAMIC EQUITY FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end(Rs'000)	1,352,121	1,141,417	126,163.22	107,097.73	145,938.56	624,585
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	210.5759	158.8867	111.4243	65.8671	69.9797	105.0735
Offer	215.4191	162.5411	113.9425	67.3557	71.5612	107.4482
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	230.3931	180.7323	118.4855	75.1178	108.2545	111.7666
Lowest offer price per unit	163.5694	112.8911	69.888	62.952	70.9656	81.1602
Highest redemption price per unit	225.2132	176.6689	115.8669	73.4577	105.862	109.2965
Lowest redemption price per unit	159.8919	110.3530	68.3434	61.5607	69.3972	79.3665
RETURN (%)						
Total return	32.53%	42.60%	74.48%	-5.88%	-33.40%	35.46%
Income distribution	0.00%	0.00%	5.31%	0.00%	0.00%	0.00%
Capital growth	32.53%	42.60%	69.17%	-5.88%	-33.40%	35.46%
DISTRIBUTION						
Final dividend distributation- Cash	-	-	-	-	-	-
Date of Income Distribution	-	-	-	-	-	-
Final dividend distributation- Bonus	-	-	3.50	-	-	-
Date of Income Distribution	-	-	28-Jun-24	-	-	-
Total dividend distribution for the year/ period	-	-	3.50	-		-
AVERAGE RETURNS (%)						
Average annual return 1 year	32.53%	42.60%	74.48%	-5.88%	-33.40%	35.46%
Average annual return 2 year	37.47%	57.74%	28.15%	-20.83%	-5.02%	17.05%
Average annual return 3 year	48.84%	32.80%	3.03%	-5.31%	-3.00%	4.39%
PORTFOLIO COMPOSITION - (%)						
Percentage of Net Assets as at 30 June:						
Bank Balances	5.07%	0.99%	3.85%	10.32%	9.10%	6.45%
GoP Ijarah Sukuks	-	-	-	-	-	-
Placement with Banks and DFIs	-	-	-	-	-	-
Corporate Sukuks	-	-	-	-	-	-
Stock / Equities	94.85%	98.80%	92.10%	82.99%	83.79%	88.99%
Others	0.08%	0.21%	4.05%	6.69%	7.11%	4.56%

Note:
The Launch date of the Fund is May 29, 2014

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

Summary of Actual Proxy voted by CIS

HBLISQF	Meetings	Resolutions	For	Against
Number	2	5	5	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Abbott Laboratories (Pakistan) Ltd	4/30/2026	
AGP LIMITED	4/20/2026	29-Jun-26
Aisha Steel Mills Limited		
AT-TAHUR LIMITED		
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
Cherat Cement Company Ltd	10/9/2025	
DEWAN CEMENT LMITED		
DG Khan Cement Co Ltd		
Engro Fertilizer Limited	3/25/2026	
Engro Holding Limited	4/28/2026	
Fatima Fertilizer Company Ltd	4/17/2026	18-Dec-25
Fauji Cement Company Ltd	9/30/2025	
Fauji Fertilizer Company Ltd	3/16/2026	8-Dec-25
Faysal Bank Limited	3/26/2026	12-May-26
GHANDHARA AUTOMOBILES LIMITED		
Ghandhara Industries Limited		
GLAXOSMITHKLINE PAKISTAN LIMITED	4/30/2026	
Haleon Pakistan Limited	4/28/2026	
Interloop Limited	10-Oct-25	
K-ELECTRIC LIMITED	11/11/2025	25-Mar-26
LUCKY CEMENT LTD	26-Sep-25	
Maple Leaf Cement Ltd.	10/16/2025	31-Dec-25
Mari Energies Limited	26-Sep-25	22-Mar-26
Meezan Bank Ltd		
Mughal Iron		
NISHAT MILLS LIMITED		31-Mar-26
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
Pakistan Intl. Bulk Terminal Ltd.	10/23/2025	
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan Services Limited		
Pakistan State Oil Company Ltd	10/24/2025	
PAKISTAN TELECOMMUNICATION COMPANY		20-Nov-25
Pioneer Cement Co Limited		31-Mar-26
SUI NORTHERN GAS PIPELINES LIMITED	11/27/2025	
SUI SOUTHERN GAS COMPANY LIMITED	11/27/2025	23-Dec-25
Systems Limited	11-MAY-2026 & 28/04/2026	27-Feb-26
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Searle Comp		12-Jun-26
TPL Properties Limited.	12/29/2025	
TPL TRAKKER LIMITED	11/27/2025	

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 ISLAMIC EQUITY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 Securities & Exchange Commission of Pakistan 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, 2026

HBL ASSET MANAGEMENT

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Equity Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid
Chief Executive Officer
Dated: August 27, 2026

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLIEF/638

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Equity Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Equity Fund booked charity amounting to PKR 2,735,894/-.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Islamic Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Islamic Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement 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, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Management Company) 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 Matter

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

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 1,296.052 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained independent confirmations from the Central Depository Company of Pakistan Limited for verifying the existence of the listed equity investments portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

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

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 the 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management 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**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2026
UDIN: AR202610057l0gOqJsAh

HBL ISLAMIC EQUITY FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
ASSETS			
Bank balances	5	**169,091**	33,716
Investments	6	**1,296,052**	1,133,686
Dividend and profit receivable	7	**1,329**	1,473
Receivable against sale of investments - net		**-**	36,507
Deposits and prepayments	8	**2,600**	2,632
Receivable from the Management Company	9	**-**	3,574
Total assets		**1,469,072**	1,211,588
LIABILITIES			
Payable to the Management Company	10	**4,444**	4,502
Payable to the Trustee	11	**223**	325
Payable to SECP	12	**105**	95
Payable against sale of investments - net		**102,619**	53,708
Dividend payable		**12**	12
Accrued expenses and other liabilities	13	**9,548**	11,529
Total liabilities		**116,951**	70,171
NET ASSETS		**1,352,121**	1,141,417
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		**1,352,121**	1,141,417
CONTINGENCIES AND COMMITMENTS	14		
		---- (Number of units) ----	
NUMBER OF UNITS IN ISSUE	15	**6,421,063**	7,183,843
		---- (Rupees) ----	
NET ASSETS VALUE PER UNIT	4.8	**210.5759**	158.8867

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC EQUITY FUND
Income Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
INCOME			
Capital gain / (loss) on sale of investments - net		**155,928**	(18,640)
Dividend income		**42,965**	24,905
Profit on bank deposits		**5,130**	4,991
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.1.3	**152,763**	31,644
		356,786	42,900
EXPENSES			
Remuneration of the Management Company	10.1	**36,143**	23,589
Sindh sales tax on remuneration of the Management Company	10.2	**5,421**	3,538
Remuneration of the Trustee	11.1	**2,204**	1,899
Sindh sales tax on remuneration of the Trustee	11.2	**331**	285
SECP fee	12.1	**1,141**	893
Auditors' remuneration	16	**750**	453
Fee and subscription		**39**	29
Legal and professional charges		**196**	601
Securities transaction costs		**9,601**	15,768
Settlement and bank charges		**990**	1,224
Printing charges		**-**	80
Shariah advisory services		**391**	285
Reimbursement of expenses from Management Company		**-**	(3,588)
Charity expense		**2,736**	5,109
		59,943	50,165
Net income / (loss) for the year before taxation		**296,843**	(7,265)
Taxation	17	**-**	-
Net income / (loss) for the year after taxation		**296,843**	(7,265)
Allocation of net income for the year			
Net income for the year after taxation		**296,843**	-
Income already paid on units redeemed		**(256,988)**	-
		39,855	-
Accounting income available for distribution			
Relating to capital gains		**39,855**	-
Excluding capital gains		**-**	-
		39,855	-

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC EQUITY FUND
Statement Of other Comprehensive Income
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	---- (Rupees in '000) ----	
Net income / (loss) for the year after taxation	**296,843**	(7,265)
Other comprehensive income	**-**	-
Total comprehensive income / (loss) for the year	**296,843**	(7,265)

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC EQUITY FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	June 30, 2026			June 30, 2025		
	Capital value	**Accumulated loss**	**Total**	Capital value	Accumulated loss	Total
			---------- (Rupees in '000) ----------			
Net assets at beginning of the year	**1,450,842**	**(309,425)**	**1,141,417**	428,323	(302,160)	126,163
Issuance of 20,779,808 units						
Capital value (at net asset value per unit at the	**3,301,635**	**-**	**3,301,635**	3,268,353	-	3,268,353
Element of income	**750,556**	**-**	**750,556**	1,406,346	-	1,406,346
	4,052,191	**-**	**4,052,191**	4,674,699	-	4,674,699
Redemption of 21,542,587 units						
Capital value (at net asset value per unit at the	**(3,422,831)**	**-**	**(3,422,831)**	(2,594,062)	-	(2,594,062)
Income already paid on redemption of units	**-**	**(256,988)**	**(256,988)**	-	-	-
Element of loss	**(458,511)**	**-**	**(458,511)**	(1,058,118)	-	(1,058,118)
	(3,881,342)	**(256,988)**	**(4,138,330)**	(3,652,180)	-	(3,652,180)
Total comprehensive income / (loss) for the year	**-**	**296,843**	**296,843**	-	(7,265)	(7,265)
Final distribution for the year ended June 30, 2026						
Nil (2025: Nil)	**-**	**-**	**-**	-	-	-
Refund of capital	**-**	**-**	**-**	-	-	-
	-	**296,843**	**296,843**	-	(7,265)	(7,265)
Net assets at end of the year	**1,621,691**	**(269,570)**	**1,352,121**	1,450,842	(309,425)	1,141,417
Undistributed loss brought forward						
Realised		**(341,069)**			(308,362)	
Unrealised		**31,644**			6,202	
		(309,425)			(302,160)	
Accounting income available for distribution						
Relating to capital gains		**39,855**			-	
Excluding capital gains		**-**			-	
		39,855			-	
Net loss for the year		**-**			(7,265)	
Distribution during the year		**-**			-	
Undistributed loss carried forward		**(269,570)**			(309,425)	
Undistributed loss carried forward						
Realised		**(422,333)**			(341,069)	
Unrealised		**152,763**			31,644	
		(269,570)			(309,425)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		**158.8867**			111.4243	
Net assets value per unit at end of the year		**210.5759**			158.8867	

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive Officer**	**Director**

	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income / (loss) for the year before taxation		**296,843**	(7,265)
Adjustments for non cash and other item:			
Capital (gain) / loss on sale of investments - net		**(155,928)**	18,640
Dividend income		**(42,965)**	(24,905)
Profit on bank deposits		**(5,130)**	(4,991)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	6.1.3	**-**	(31,644)
		92,820	(50,165)
Decrease / (increase) in assets			
Investments - net		**78,980**	(982,839)
Deposits and prepayments		**32**	(32)
Receivable from the Management Company		**3,574**	(1,561)
		82,586	(984,432)
(Decrease) / increase in liabilities			
Payable to the Management Company		**(58)**	4,211
Payable to the Trustee		**(102)**	300
Payable to SECP		**10**	85
Accrued expenses and other liabilities		**(1,981)**	6,863
		(2,131)	11,459
Net cash generated from / (used in) operations		**173,275**	(1,023,138)
Dividend received		**42,849**	24,837
Profit received on bank deposits		**5,390**	4,359
		48,239	29,196
Net cash generated from / (used in) from operating activities		**221,514**	(993,942)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		**4,052,191**	4,674,699
Payment against redemption of units		**(4,138,330)**	(3,652,180)
Net cash (used in) / generated from financing activities		**(86,139)**	1,022,519
Net increase in cash and cash equivalents during the year		**135,375**	28,577
Cash and cash equivalents at beginning of the year		**33,716**	5,139
Cash and cash equivalents at end of the year	5	**169,091**	33,716

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Islamic Equity Fund ('the Fund') was established under a Trust Deed executed between PICIC Asset Management Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC / Trustee) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP / the Commission) vide its letter no. SCD/AMCW/PISF/965/2014 dated April 23, 2014 and the Trust Deed was executed on February 20, 2014.

1.2 Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP / the Commission) 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 Trusts 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 Trusts Act.

1.3 The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts 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 Trusts Act.

1.4 Effective from September 01, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.

1.5 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 (the NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.6 The Fund has been categorised as a Shariah Compliant Equity Scheme as per the criteria laid down by the SECP for categorisation of Open-End Collective Investment Schemes (CISs) and is listed on the Pakistan Stock Exchange Limited (PSX). 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 HBL Islamic Equity Fund is to provide the maximum total return to the unit holders from investment in 'Shariah Compliant' equity investments for the given level of risk.

1.8 VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 31, 2025.

1.9 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

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 (the Act);
- Provisions of and directives issued under the Act, 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 Act, 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 Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Basis of measurement

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

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 Critical accounting estimates and judgments

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

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

(a) Classification and measurement of financial assets (Note 4.2.1.1 and 6)

(b) Impairment of financial assets (Note 4.2.1.3)

(c) Provisions (Note 4.3)

(d) Taxation (Note 4.4 and 17)

(e) Classification and measurement of financial liabilities (Note 4.2.2.1)

(f) Contingencies and commitments (Note 14)

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

3.1 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. This amendment is not relevant to the Fund's operations.

- 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

3.2 New accounting standards and amendments and interpretations 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 standards and 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 except those mentioned in note 3.2.1.

	Effective from accounting period beginning on or after
- 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

	Effective from accounting period beginning on or after
- IFRS 17 – 'Insurance Contracts' (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- IFRS 19 - 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

3.2.1 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for pres entation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards

- IFRS 20 - Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY 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 other comprehensive income (FVOCI) 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 OCI and are accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to income statement on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

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

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

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

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

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

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

Financial assets at amortised cost (debt instruments)

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

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

For debt instruments at fair value through other comprehensive income (FVOCI), 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 in statement of comprehensive income. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the Income statement.

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

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

4.2.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of 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 PSX 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 PSX are valued at revaluation rates disseminated by 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 (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 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.

4.2.1.5 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

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 (FVTPL).

Financial liabilities are measured at amortised cost, unless they are required to be measured at (FVTPL) (such as instruments held for trading) or the Fund has opted to measure them at FVTPL

4.2.2.2 Derecognition

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

4.2.2.3 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.

4.3 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 (ITO, 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 ITO, 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 (the Board) 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.

4.6 Issue and redemption of units

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

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

4.7 Element of income

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

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Realised capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Income / profit from investments in government securities is recognised on a time proportionate basis using EIR method.
- Profit on bank deposits is recognised on a time proportionate basis using bank's approved rate.
- Unrealised gain / (loss) arising on re-measurement of investments at 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

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

4.11 Earnings per unit

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

		Note	June 30, 2026	June 30, 2025
5.	**BANK BALANCES**		**---- (Rupees in '000) ----**	
	Cash at bank			
	In current account		**-**	1
	In savings account	5.1	**169,091**	33,715
			169,091	33,716

5.1 These carry profit at the rate ranging from 5.00% to 11.30% (2025: 6.00% to 11.11%) per annum. These includes an amount held in Habib Bank Limited (a related party) amounting to Rs. 8.719 million (2025: Rs. 0.365 million) which carry profit at rates 11.30% (2025: 11.11%) per annum.

		Note	June 30, 2026	June 30, 2025
6.	**INVESTMENTS**		**--- (Rupees in '000) ---**	
	Investment at fair value through profit or loss			
	Listed equity securities	6.1	**1,296,052**	1,133,686

6.1 Investment at 'fair value through profit or loss' - Listed equity securities

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

Name of investee companies	As at July 1, 2025	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments	Par value as Percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in 000)			(%)		
Automobile Assembler											
Ghandhara Automobiles Limited	51,860	100,000	-	151,860	-	-	-	-	-	-	-
Ghandhara Industries Limited	69,500	20,000	-	89,500	-	-	-	-	-	-	-
						-	-	-	-	-	-
Cement											
Attock Cement Pakistan Limited	142,000	-	-	142,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	50,000	-	15,000	35,000	**12,847**	**12,108**	**(739)**	0.90	0.93	0.02
Dewan Cement Lmited	-	1,750,000	-	1,750,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	505,000	240,000	-	593,500	151,500	**29,558**	**33,825**	**4,267**	2.50	2.61	0.03
Fauji Cement Company Limited	618,000	641,000	-	1,007,000	252,000	**12,193**	**14,503**	**2,310**	1.07	1.12	0.01
Lucky Cement Limited**	-	827,507	-	585,300	242,207	**101,372**	**113,721**	**12,349**	8.41	8.77	0.02
Maple Leaf Cement Factory Limited	1,033,524	1,221,000	-	1,637,000	617,524	**56,448**	**66,019**	**9,571**	4.88	5.09	0.06
Pioneer Cement Company Limited	-	13,000	-	13,000	-	-	-	-	-	-	-
						212,418	**240,176**	**27,758**	17.76	18.52	0.14
Commercial Banks											
Faysal Bank Limited	-	761,000	-	611,000	150,000	**13,406**	**14,886**	**1,480**	1.10	1.15	0.01
Meezan Bank Limited	237,000	530,680	-	567,300	200,380	**90,962**	**103,488**	**12,526**	7.65	7.98	0.01
						104,368	**118,374**	**14,006**	8.75	9.13	0.02
Engineering											
Aisha Steel Mills Limited	-	179,000	-	179,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	-	152,456	-	152,456	-	-	-	-	-	-	-
Fertilizer						-	-	-	-	-	-
Engro Fertilizers Limited	-	77,000	-	77,000	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	476,000	-	317,000	159,000	**25,466**	**26,283**	**817**	1.94	2.03	0.01
Fauji Fertilizer Company Limited	-	320,500	-	136,200	184,300	**95,299**	**105,692**	**10,393**	7.82	8.15	0.01
						120,765	**131,975**	**11,210**	9.76	10.18	0.02
Food and Personal Care Products											
At-Tahur Limited	-	136,000	-	136,000	-	-	-	-	-	-	-
Investment Banks / Investment Companies / Securities Companies											
Engro Holdings Limited	-	592,000	-	256,000	336,000	**90,303**	**96,674**	**6,371**	7.15	7.46	0.03
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	345,749	415,500	-	669,600	91,649	**35,952**	**31,376**	**(4,576)**	2.32	2.42	0.02
Sui Northern Gas Pipelines Limited	745,910	240,000	-	825,910	160,000	**18,570**	**19,349**	**779**	1.43	1.49	0.03
Sui Southern Gas Company Limited	-	270,000	-	270,000	-	-	-	-	-	-	-
						54,522	**50,725**	**(3,797)**	3.75	3.91	0.05

Name of investee companies	As at July 1, 2025	Purchased during the year	Bonus issue during the year	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments	Par value as Percentage of paid-up capital of the investee company
						Carrying value	Market value	Unrealised gain			
	---------- (Number of shares) ----------					---------- (Rupees in 000) ----------			---------- (%) ----------		
Oil and Gas Exploration Companies											
Mari Energies Limited	218,555	141,000	-	294,000	65,555	**43,667**	**44,203**	**536**	3.27	3.41	0.01
Oil and Gas Development Company Limited	594,500	695,000	-	817,263	472,237	**124,479**	**158,138**	**33,659**	11.70	12.20	0.01
Pakistan Petroleum Limited	882,000	770,000	-	997,000	655,000	**132,484**	**158,916**	**26,432**	11.75	12.26	0.02
						300,630	**361,257**	**60,627**	26.72	27.87	0.04
Pharmaceuticals											
Abbott Laboratories (Pakistan) Limited	-	4,800	-	-	4,800	**5,478**	**4,725**	**(753)**	0.35	0.36	-
AGP Limited	-	50,000	-	19,000	31,000	**6,514**	**6,396**	**(118)**	0.47	0.49	0.01
Glaxosmithkline Pakistan Limited	-	67,157	-	41,600	25,557	**10,621**	**9,462**	**(1,159)**	0.70	0.73	0.01
Haleon Pakistan Limited	-	6,150	-	6,150	-	**-**	**-**	**-**	-	-	-
The Searle Company Limited	1,985	308,000	46,497	354,497	1,985	**197**	**188**	**(9)**	0.01	0.01	-
						22,810	**20,771**	**(2,039)**	1.53	1.59	0.02
Power Generation and Distribution											
K-Electric Limited*	-	1,600,000	-	1,600,000	-	**-**	**-**	**-**	-	-	-
The Hub Power Company Limited	-	739,500	-	463,600	275,900	**59,639**	**64,409**	**4,770**	4.76	4.97	0.02
						59,639	**64,409**	**4,770**	4.76	4.97	0.02
Property											
TPL Properties Limited	-	4,029,747	-	4,029,747	-	**-**	**-**	**-**	-	-	-
Refinery											
Attock Refinery Limited	88,335	79,000	-	120,335	47,000	**39,705**	**39,981**	**276**	2.96	3.08	0.04
Pakistan Refinery Limited	-	600,000	-	600,000	-	**-**	**-**	**-**	-	-	-
						39,705	**39,981**	**276**	2.96	3.08	0.04
Technology and Communications											
Pakistan Telecommunication Company Limited	-	922,500	-	756,000	166,500	**6,816**	**10,909**	**4,093**	0.81	0.84	-
Systems Limited**	447,490	250,000	-	425,000	272,490	**36,534**	**40,081**	**3,547**	2.96	3.09	0.02
TPL Trakker Limited	898,000	2,082,497	-	-	2,980,497	**48,502**	**64,081**	**15,579**	4.74	4.94	1.59
						91,852	**115,071**	**23,219**	8.51	8.87	1.61
Textile Composite											
Interloop Limited	-	334,540	-	-	334,540	**29,393**	**35,976**	**6,583**	2.66	2.78	0.02
Nishat Mills Limited	-	205,000	-	205,000	-	**-**	**-**	**-**	-	-	-
						29,393	**35,976**	**6,583**	2.66	2.78	0.02
Transport											
Pakistan International Bulk Terminal Limited	-	3,675,000	-	2,592,000	1,083,000	**16,884**	**20,663**	**3,779**	1.53	1.59	0.06
Miscellaneous											
Pakistan Services Limited	-	3,500	-	3,500	-	**-**	**-**	**-**	-	-	-
* These shares carry Face Value of Rs. 3.5 per share											
** These shares carry Face Value of Rs. 2 per share											
As at June 30, 2026						**1,143,289**	**1,296,052**	**152,763**			
As at June 30, 2025						1,102,042	1,133,686	31,644			

6.1.1 As at June 30, 2026, 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, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	------- (Number of Shares) -------		**-------- (Rupees in 000) --------**	
Attock Cement Pakistan Limited	**-**	12,000	**-**	3,511
Attock Refinery Limited	**19,000**	-	**16,163**	-
Cherat Cement Company Limited	**6,000**	-	**2,076**	-
D.G. Khan Cement Company Limited	**-**	15,000	**-**	2,483
Engro Fertilizers Limited	**-**	-	**-**	-
Engro Holding Limited	**50,000**	-	**14,386**	-
Fauji Cement Company Limited	**74,000**	-	**4,259**	-
Fauji Fertilizer Company Limited	**18,000**	-	**10,323**	-
Glaxosmithkline Pakistan Limited	**20,000**	-	**7,405**	-
Hub Power Company Limited	**10,000**	-	**2,335**	-
Lucky Cement Limited	**45,000**	-	**21,128**	-

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	------- (Number of Shares) -------		-------- (Rupees in 000) --------	
Mari Energies Limited	**20,000**	121,000	**13,486**	75,854
Meezan Bank Limited	**200,380**	17,000	**217**	5,645
Maple Leaf Cement Factory Limited	**86,000**	213,000	**9,194**	17,952
Oil and Gas Development Company Limited	**290,000**	473,500	**97,112**	104,435
Pakistan Petroleum Limited	**404,700**	360,700	**98,188**	61,380
Pakistan State Oil Company Limited	**10,000**	80,000	**3,424**	30,202
Sui Northern Gas Pipelines Limited	**-**	531,000	**-**	61,973
Systems Limited	**272,490**	-	**413**	-
	1,525,570	1,823,200	**300,109**	363,435

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 ITO, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate 10% (5% for prior periods) to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP) has filed a petition in Sindh High Court to declare the amendments brought in ITO, 2001 with reference to tax on bonus shares for CISs 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 ITO, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 6.397 million at June 30, 2026 (June 30, 2025: Rs. 4.970 million) and not yet deposited on CDC account of department of Income tax. The final outcome of the case is pending, however Management Company is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

These bonus shares include the following shares:

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	---- (Number of Shares) ----		---- (Rupees in 000) ----	
The Searle Company Limited	**1,985**	1,985	**188**	174
Mari Energies Limited	**1,305**	1,305	**880**	818
Pakistan State Oil Company Limited	**749**	749	**256**	283
Systems Limited	**34,490**	34,490	**5,073**	3,695
	38,529	38,529	**6,397**	4,970

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

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

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

Further, through the Finance Act, 2023, section 236Z was introduced into the ITO, 2001. Under this section, every company issuing bonus shares is required to withhold 10% of the bonus shares to be issued. During the year ended June 30, 2024, Mari Energies Limited ("Mari") withheld 1,305 shares, representing 10% of the bonus shares issued by Mari, in compliance with section 236Z of ITO, 2001. On September 30, 2024, the Management Company, together with other asset management companies, filed Constitutional Petition No. 4747 of 2024 before the Sindh High Court ("SHC"), challenging the applicability of the withholding tax provisions to bonus shares received by collective investment schemes ("CISs"). On the same date, the SHC granted a stay order directing Mari to retain the 10% bonus shares attributable to the Fund and not to liquidate or sell those shares for payment of tax to the income tax authorities until final determination of the matter. The petition remains pending adjudication before the SHC. Management expects a favourable outcome and, accordingly, has recognised the bonus shares on a gross basis at fair value within investments as at the reporting date.

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
6.1.3	**Net unrealised gain on re-measurement of investments at 'fair value through profit or loss'**			
	Market value of investments		**1,296,052**	1,133,686
	Less: Carrying value of investments		**1,143,289**	1,102,042
			152,763	31,644
7.	**DIVIDEND AND PROFIT RECEIVABLE**			
	Dividend receivable		**891**	775
	Profit receivable on savings account		**438**	698
			1,329	1,473
8.	**DEPOSITS AND PREPAYMENTS**			
	Security deposit with:			
	National Clearing Company of Pakistan Limited (NCCPL)		**2,500**	2,500
	Central Depository Company of Pakistan Limited - the Trustee		**100**	100
			2,600	2,600
	Prepaid listing fee		**-**	32
			2,600	2,632
9.	**RECEIVABLE FROM THE MANAGEMENT COMPANY**			
	Receivable against expense reimbursement	9.1	**-**	3,574

9.1 As per SECP Direction No. SCD/PRDD/Direction/18/2016, Asset Management Companies (AMCs) were required to calculate the Total Expense Ratio (TER) for each CIS to ensure that the TER did not exceed the maximum limit prescribed under Regulation 60(5) of the NBFC Regulations. Where the TER exceeded the prescribed limit, the AMCs were required to adjust the Net Asset Value (NAV) of the respective CIS at the end of each quarter during the financial year by reversing the amount of expenses incurred in excess of the applicable limit.

However, pursuant to the amendments made to the NBFC Regulations by the SECP through Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits applicable to Collective Investment Schemes have been withdrawn with effect from July 01, 2025. Consequently, the requirement to cap the TER and make quarterly NAV adjustments for expenses exceeding the prescribed TER limit is no longer applicable from the effective date of the amendment.

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.

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
10.	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Management remuneration payable	10.1	**3,796**	3,202
	Sindh sales tax payable on Management remuneration	10.2	**569**	480
	Sales load payable		**79**	820
			4,444	4,502

10.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for an Equity Scheme is capped at 3% per annum, calculated on the basis of the average daily net assets, effective from July 1, 2025. Accordingly, the Management Company has charged management fees at a rate of 3% of the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

10.2 The Sindh Provincial Government has levied Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO THE TRUSTEE	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
Trustee fee payable	11.1	**194**	283
Sindh sales tax payable on Trustee Fee	11.2	**29**	42
		223	325

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

Based on the Trust deed, Trustee fee has been charged based on the following tariff structure applicable to the Fund:

Average Net asset Value	Tariff per annum
Upto Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher.
Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets value exceeding Rs. 1,000 million.

11.2 The Sindh Provincial Government has levied Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011.

12. PAYABLE TO SECP	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
SECP fee payable	12.1	**105**	95

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.

13. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
Charity payable	13.1	**2,736**	5,109
Provision for Federal excise duty (FED)	13.2	**3,268**	3,268
Brokerage payable		**880**	1,122
Withholding tax payable		**1,022**	1,090
Legal advisory fee payable		**752**	752
Auditors' remuneration		**746**	79
Others		**144**	109
		9,548	11,529

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

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

On September 4, 2013, a Constitutional Petition was filed in the SHC jointly by various asset management companies, together with their representative CISs through their trustees, challenging the levy of FED.

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

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 3.268 million (June 30, 2025: Rs. 3.268 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Re. 0.509 per unit (June 30, 2025: Rs. 0.455 per unit).

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 and June 30, 2025.

15. NUMBER OF UNITS IN ISSUE

	June 30, 2026	June 30, 2025
	-----Number of units '-----	
Movement during the year		
Total units in issue at the beginning	**7,183,843**	1,132,278
Add: Units issued	**20,779,808**	29,332,501
Less: Units redeemed	**21,542,587**	23,280,936
Total units in issue at the end	**6,421,063**	7,183,843

16. AUDITORS' REMUNERATION

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Annual audit fee	**354**	214
Fee for half yearly review	**164**	99
Other certifications	**124**	75
Out of pocket expenses	**52**	31
	694	419
Sindh sales tax	**56**	34
	750	453

17. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, 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. 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 ITO, 2001.

Since the management 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 Expense Ratio (TER) of the Fund based on the current year results is 4.75% (2025: 4.79%), which includes 0.65% (2025: 0.72%) representing government levy, SECP fee, and other related charges. However, pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

19. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company and its related entities, the Trustee, other 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) 10% or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

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

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

Details of the transactions with connected persons / related parties and balances with them are as follows:

		June 30, 2026	June 30, 2025
19.1	**Details of transactions with related parties / connected persons during the year:**	----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	**36,143**	23,589
	Sindh sales tax on remuneration of the Management Company	**5,421**	3,538
	Issue of 854,018 units (2025: Nil units)	**174,000**	-
	Redemption of 856,903 units (2025: Nil units)	**170,273**	-
	Amount received from Management Company against issuance to unitholders*	**-**	157
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration of the Trustee	**2,204**	1,899
	Sindh sales tax on remuneration of the Trustee	**331**	285
	CDS charges	**266**	355
	Habib Bank Limited - Sponsor		
	Profit on Bank Deposits	**1,470**	1,567
	Director and Executives of the Management Company		
	Issue of 368,550 units (2025: 686,199 units)	**68,393**	108,660
	Redemption of 358,536 units (2025: 655,950 units)	**68,504**	102,636
	Fazeela Abbasi - Connected Person due to holding more than 10% units:		
	Issue of 827,480 units (2025: Nil units)	**148,418**	-
19.2	**Details of balances with related parties / connected persons as at year end:**		
	HBL Asset Management Limited - Management Company		
	Remuneration payable to the Management Company	**3,796**	3,202
	Sindh sales tax payable on Management Company's remuneration	**569**	480
	Sales load payable	**79**	820
	Receivable from the Management Company	**-**	3,574
	Units held: 353,017 units (June 30, 2025: 355,902 units)	**74,337**	56,548
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee fee payable	**194**	283
	Sindh sales tax on remuneration of the Trustee	**29**	42
	Security deposit held	**100**	100
	Habib Bank Limited - Sponsor		
	Bank balances	**8,719**	365
	Director and Executives of the Management Company		
	Units held: 38,091 units (June 30, 2025: 29,340 units)	**8,021**	4,662

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Fazeela Abbasi - Connected Person due to holding more than 10% units:		
Units held: 827,480 units (June 30, 2025: Nil units)	**174,247**	-

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 SECP.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

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

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

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, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000') ----------						
Financial assets measured at fair value							
Listed equity securities	**1,296,052**	**-**	**1,296,052**	**1,296,052**	**-**	**-**	**1,296,052**
Financial assets not measured at fair value							
Bank balances	**-**	**169,091**	**169,091**				
Dividend and profit receivable	**-**	**1,329**	**1,329**				
Deposits	**-**	**2,600**	**2,600**				
Receivable from the Management Company	**-**	**-**	**-**				
	-	**173,020**	**173,020**				

Particulars	June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000') ----------						
Financial liabilities not measured at fair value							
Payable to the Management Company	-	**3,875**	**3,875**				
Payable to the Trustee	-	**194**	**194**				
Payable against sale of investments - net	-	**102,619**	**102,619**				
Dividend payable	-	**12**	**12**				
Accrued expenses and other liabilities	-	**5,088**	**5,088**				
	-	**111,788**	**111,788**				

During the year ended June 30, 2026, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000') ----------						
Financial assets measured at fair value							
Listed equity securities	1,133,686	-	1,133,686	1,133,686	-	-	1,133,686
Financial assets not measured at fair value							
Bank balances	-	33,716	33,716				
Dividend and profit receivable -		1,473	1,473				
Deposits	-	2,600	2,600				
Receivable from the Management Company	-	3,574	3,574				
Receivable against sale of investments - net	-	36,507	36,507				
	-	77,870	77,870				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	4,022	4,022				
Payable to the Trustee	-	283	283				
Payable against sale of investments - net	-	53,708	53,708				
Dividend payable	-	12	12				
Accrued expenses and other liabilities	-	6,989	6,989				
	-	65,014	65,014				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

21. FINANCIAL RISK MANAGEMENT

The Board of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of Shariah Compliant equity securities. These activities are exposed to a variety of financial risks: market risks, credit risks and liquidity risks.

21.1 Market risk

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

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the SECP.

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

21.1.1 Currency risk

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

21.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances.

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

	June 30, 2026	June 30, 2025
Variable rate instrument (financial asset)	**--- (Rupees in '000) ---**	
Bank Balances	**169,091**	33,715

a) Cash flow profit rate risk

The Fund is exposed to cash flow profit rate risk for balances in certain savings account, the profit rates on which ranging between 5.00% to 11.30% per annum (June 30, 2025: 6.00% to 11.11% per annum).

In case of 100 basis points increase / (decrease) in profit rates on June 30, 2026 with all other variable held constant, the net income for the year and the net assets would have been higher / lower by Rs. 1.691 million (June 30, 2025: Rs. 0.337 million).

b) Fair value interest rate risk

Since the Fund currently does not have any fixed rate instruments that are impacted by market profit rates, therefore, it is not exposed to fair value profit rate risk. Yield / profit rate sensitivity position for financial instrument is as follows:

Particulars	**June 30, 2026**					
		Exposed to yield / profit rate risk				
	Effective yield / profit rate	**Upto three months**	**More than three months and upto one year**	**More than one year**	**Not exposed to yield / profit rate risk**	**Total**
	---- (%) ----	**---------- (Rupees in '000) ----------**				
On-balance sheet financial instruments						
Financial assets						
Bank balances	**5.00 - 11.30**	**169,091**	**-**	**-**	**-**	**169,091**
Investments listed equity securities		**-**	**-**	**-**	**1,296,052**	**1,296,052**
Dividend and profit receivable		**-**	**-**	**-**	**1,329**	**1,329**
Deposits		**-**	**-**	**-**	**2,600**	**2,600**
Receivable from the Management Company		**-**	**-**	**-**	**-**	**-**
Sub total		**169,091**	**-**	**-**	**1,299,981**	**1,469,072**

Particulars	June 30, 2026					
	Effective yield / profit rate	Exposed to yield / profit rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
Financial liabilities						
Payable to the Management Company		-	-	-	**3,875**	**3,875**
Payable to the Trustee		-	-	-	**194**	**194**
Payable against sale of investments - net		-	-	-	**102,619**	**102,619**
Dividend payable		-	-	-	**12**	**12**
Accrued expenses and other liabilities		-	-	-	**5,088**	**5,088**
Sub total		-	-	-	**111,788**	**111,788**

Particulars	June 30, 2025					
	Effective yield / profit rate	Exposed to yield / interest rate risk			Not exposed to yield / profit rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	6.00 - 11.11	33,715	-	-	1	33,716
Investments listed equity securities		-	-	-	1,133,686	1,133,686
Dividend and profit receivable		-	-	-	1,473	1,473
Deposits		-	-	-	2,600	2,600
Receivable from the Management Company		-	-	-	3,574	3,574
Receivable against sale of investments - net		-	-	-	36,507	36,507
Sub total		33,715	-	-	1,177,841	1,211,556
Financial liabilities						
Payable to the Management Company		-	-	-	4,022	4,022
Payable to the Trustee		-	-	-	283	283
Payable against sale of investments - net		-	-	-	53,708	53,708
Dividend payable		-	-	-	12	12
Accrued expenses and other liabilities		-	-	-	6,989	6,989
Sub total		-	-	-	65,014	65,014

21.1.3 Price risk

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

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as financial assets at 'fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities to no more than 15% of net assets of the Fund, or issued capital of the investee company respectively.

In case of 5% increase / decrease in price of all shares held by Fund at the year end, net income for the year would increase / decrease by Rs. 64.803 million (June 30, 2025: Rs. 56.684 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 index.

21.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances, credit exposure arising as a result of dividend receivable on equity securities, deposits and receviable from Managment Company.

Management of credit risk

For banks, the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. All transactions in listed securities are settled / paid for upon delivery using the system of NCCPL. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the Regulations and the guidelines given by the SECP from time to time.

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

	Note	June 30, 2026		June 30, 2025	
		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	5	**169,091**	**169,091**	33,716	33,716
Investments	6	**1,296,052**	**-**	1,133,686	-
Dividend and profit receivable	7	**1,329**	**1,329**	1,473	1,473
Receivable against sale of investments - net		**-**	**-**	36,507	36,507
Deposits	8	**2,600**	**2,600**	2,600	2,600
Receivable from the Management Company	9	**-**	**-**	3,574	3,574
		1,469,072	**173,020**	1,211,556	77,870

21.2.1 The analysis below summarises the credit quality of the Fund's bank balances as at June 30, 2026 and June 30, 2025:

Bank	June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	(Rupees in '000')		
Bank balances by rating category			
Habib Bank Limited	**8,719**	**AAA**	**VIS**
Bank Islami Pakistan Limited	**153,502**	**AA-**	**PACRA**
Al Baraka Bank Limited	**184**	**AA-**	**VIS**
	162,405		

Bank	June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	(Rupees in '000')		
Bank balances by rating category			
MCB Bank Limited	1	AAA	PACRA
Habib Bank Limited	365	AA+	VIS
Bank Islami Pakistan Limited	1,327	AA-	PACRA
Al Baraka Bank Limited	32,023	AA-	VIS
	33,716		

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

	June 30, 2026	June 30, 2025
Rating by rating category	**--- (Percentage) ---**	
AAA	**5.37**	-
AA+	**-**	1.09
AA-	**94.63**	98.91
	100.00	100.00

Concentration of credit risk

Concentration of credit risk exists when change in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's concentration risk is mainly bank balances while the remaining transactions are entered into with diverse counterparties thereby mitigating any significant concentration of credit risk to counterparties.

Settlement risk

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

21.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of the unitholders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instance were witnessed by the Fund during the current year.

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

	Note	June 30, 2026						
		Within 1 month	Over three months and up to one year	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		---------- (Rupees in '000) ----------						
Financial assets								
Bank balances	5	**169,091**	-	-	-	-	-	**169,091**
Investments								
- Listed equity securities	6	**1,296,052**	-	-	-	-	-	**1,296,052**
Dividend and profit receivable	7	**1,329**	-	-	-	-	-	**1,329**
Deposits	8	**2,600**	-	-	-	-	-	**2,600**
Receivable from the Management Company	9	-	-	-	-	-	-	-
Sub total		**1,469,072**	-	-	-	-	-	**1,469,072**
Financial liabilities								
Payable to the Management Company	10	**3,875**	-	-	-	-	-	**3,875**
Payable to the Trustee	11	**194**	-	-	-	-	-	**194**
Payable against sale of investments - net		**102,619**	-	-	-	-	-	**102,619**
Dividend payable		**12**	-	-	-	-	-	**12**
Accrued expenses and other liabilities	13	**5,088**	-	-	-	-	-	**5,088**
Sub total		**111,788**	-	-	-	-	-	**111,788**
On-balance sheet gap		**1,357,284**	-	-	-	-	-	**1,357,284**
Total liquidity risk sensitivity gap		**1,357,284**	-	-	-	-	-	**1,357,284**
Cumulative liquidity risk sensitivity gap		**1,357,284**	**1,357,284**	**1,357,284**	**1,357,284**	**1,357,284**	**1,357,284**	

	Note	June 30, 2025						
		Within 1 month	Over three months and up to one year	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		---------- (Rupees in '000) ----------						
Financial assets								
Bank balances	5	33,716	-	-	-	-	-	33,716
Investments								
- Listed equity securities	6	1,133,686	-	-	-	-	-	1,133,686
Dividend and profit receivable	7	1,473	-	-	-	-	-	1,473
Receivable against sale of investments - net		2,600	-	-	-	-	-	2,600
Receivable from the Management Company	9	36,507	-	-	-	-	-	36,507
Deposits	8	3,574	-	-	-	-	-	3,574
Sub total		1,211,556	-	-	-	-	-	1,211,556
Financial liabilities								
Payable to the Management Company	10	4,022	-	-	-	-	-	4,022
Payable to the Trustee	11	283	-	-	-	-	-	283

	Note	June 30, 2025						
		Within 1 month	Over three months and up to one year	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		---------- (Rupees in '000) ----------						
Payable against sale of investments - net		53,708	-	-	-	-	-	53,708
Dividend payable		12	-	-	-	-	-	12
Accrued expenses and other liabilities	13	6,989	-	-	-	-	-	6,989
Sub total		65,014	-	-	-	-	-	65,014
On-balance sheet gap		1,146,542	-	-	-	-	-	1,146,542
Total liquidity risk sensitivity gap		1,146,542	-	-	-	-	-	1,146,542
Cumulative liquidity risk sensitivity gap		1,146,542	1,146,542	1,146,542	1,146,542	1,146,542	1,146,542	

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 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.

23. LIST OF TOP TEN BROKERS / DEALERS

Top ten brokers during the year ended June 30, 2026

1. Sherman Securities (Private) Limited
2. DJM Securities Limited
3. Alpha Capital (Private) Limited
4. Next Capital Limited
5. AKD Securities Limited
6. Intermarket Securities Limited
7. Chase Securities Pakistan (Private) Limited
8. JS Global Capital Limited
9. BMA Capital Management Limited
10. Topline Securities Limited

Top ten brokers during the year ended June 30, 2025

1. Arif Habib Limited
2. Intermarket Securities Limited
3. JS Global Capital Limited
4. Ktrade Securities Limited
5. Chase Securities Pakistan (Private) Limited
6. Optimus Capital Management (Private) Limited
7. Darson Securities (Private) Limited
8. Integrated Equities Limited

9. DJM Securities Limited

10. AKD Securities Limited

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3.	Mr. Amin Mohammad	Chief Risk Officer	MBA	34
4.	Mr. Sunny Kumar	Head of Equities	B.Com	8
5.	Mr. Wasim Akram	Senior Fund Manager	MBA	23

25. PATTERN OF UNITHOLDING

Pattern of unit holding at June 30, 2026 is as follows:

Category	June 30, 2026			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
			(Rupees in '000)	--------- (%) ---------
Individuals	**1,420**	**6,003,704**	**1,264,235**	**93.50**
Asset Management Company	**1**	**353,017**	**74,337**	**5.50**
Trust	**2**	**54**	**11**	**-**
Other Corporate	**4**	**2,738**	**577**	**0.04**
Foreign Investors	**2**	**61,550**	**12,961**	**0.96**
	1,429	**6,421,063**	**1,352,121**	**100.00**

Pattern of unit holding at June 30, 2025 is as follows:

Category	June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage of total
			(Rupees in '000)	--------- (%) ---------
Individuals	754	6,530,270	1,037,572	90.90
Asset Management Company	1	355,903	56,548	4.95
Trust	2	54	9	-
Retirement Funds	1	6	1	-
Other Corporate	4	297,599	47,285	4.15
Foreign Investors	1	11	2	-
	763	7,183,843	1,141,417	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, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No	Name of Director	Number of meetings		Leave Granted	Meetings not attended
		Held	Attended		
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3	Mr. Khalid Malik	9	9	-	-
4	Mr. Tariq Masaud	9	8	1	October 30, 2025
5	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 & March 04,
6	Mr. Mir Adil Rashid	9	9	-	-
7	Ms. Sheeza Ahmed	9	9	-	-
8	Mr. Irfan Ahmed Meer ***	3	2	1	April 29, 2026
9	Dr. Sahar Awan ***	3	3	-	-
10	Mr. Rayomond H. Kotwal **	6	5	1	December 22, 2025
11	Mr. Habib Yousuf Habib *	3	3	-	-

* Resigned on November 27, 2025.

** Resigned on April 06, 2026.

*** Appointed on April 08, 2026.

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 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director



ISLAMIC SAVINGS FUND

FUND INFORMATION

NAME OF FUND	HBL Islamic Saving Fund
NAME OF AUDITOR	Yousuf Adil, Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited (CDC)
NAME OF SHARIAH ADVISOR	Al - Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Faysal Bank Limited Habib Bank Limited United Bank Limited

FUND MANAGER'S REPORT - HBL ISLAMIC SAVING FUND

Type and Category of Fund

Open end Islamic Money Market Fund

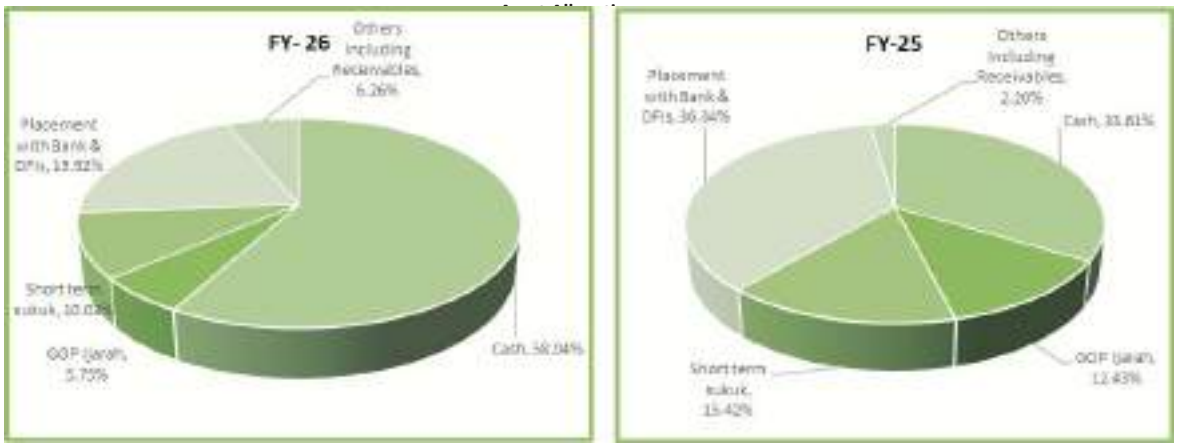
Investment Objective and Accomplishment of Objective
The objective of HBL Islamic Savings Fund Plan-I is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investing in low risk shariah compliant securities. The investment objective is achieved.

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

Month	HBL-ISF	Benchmark
Jun-26	16.99%	9.60%
May-26	9.69%	9.74%
Apr-26	7.60%	9.69%
Mar-26	5.65%	9.24%
Feb-26	8.58%	9.37%
Jan-26	11.27%	9.21%
Dec-25	10.77%	9.30%
Nov-25	9.15%	9.36%
Oct-25	7.98%	9.14%
Sept-25	10.08%	9.19%
Aug-25	9.66%	9.29%
Jul-25	10.31%	10.06%



Strategies and Policies employed during the Period
As on June 30, 2026 the fund was placed with Islamic Banks/DFIs which comprised 19.92% of total assets. GoP Ijarah Sukuks comprised 5.75% and short term Sukuks 10.03% of total assets. Daily Product Accounts were 58.04% of total assets and augmented returns due to attractive year end rates. HBL Islamic Saving Fund Plan - 1 posted an annualized average return of 9.74% compared to the benchmark return of 9.37%.



Fund Performance
The total and net income of the Fund was Rs. 1.31 billion and Rs. 1.11 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) of the Fund was Rs. 101.0273 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.35 per unit) as compared to Rs. 100.6142 as on June 30, 2025, thereby giving a return of 9.74% during the year, against the benchmark (90% 3 Month PKISRV & 10% 3 Month Deposit rate) return of 9.37%. The size of Fund was Rs. 35.04 billion as on June 30, 2026 as compared to Rs. 5.36 billion as at start of the year.

Money Market Review
During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution
The Fund has distributed cash dividend up-to Rs. 9.35 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs during the period under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	3,075	74,356
101 - 500	694	169,592
501 - 1,000	231	174,924
1,001 - 10,000	856	3,868,716
10,001 - 100,000	1,230	47,414,621
100,001 - 500,000	404	86,173,932
500,001 - 1,000,000	47	31,927,738
1,000,001 - 5,000,000	38	76,661,889
5,000,001 and above	7	100,371,145
Total	**6,582**	**346,836,913**

Unit Splits
There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders
Investments are subject to market risk.

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

PERFORMANCE TABLE - HBL ISLAMIC SAVINGS FUND

As at June 30, 2026

	2026	2025
Net assets at the period end(Rs'000)	35,039,980	5,362,953
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES		
Redemption	101.0273	100.6142
Offer	104.5127	104.0854
OFFER / REDEMPTION DURING THE PERIOD - RUPEES		
Highest offer price per unit	113.6511	116.8596
Lowest offer price per unit	104.0897	104.1038
Highest redemption price per unit	109.8609	112.9624
Lowest redemption price per unit	100.6184	100.2018
RETURN (%)		
Total return	9.74%	13.38%
Income distribution	9.29%	12.88%
Capital growth	0.45%	0.50%
DISTRIBUTION		
Final dividend distributation- Rs	9.35	12.9
Date of Income Distribution	6/18/2026	6/23/2025
Total dividend distribution for the year/ period	9.35	12.9
AVERAGE RETURNS (%)		
Average annual return 1 year	9.74%	13.38%
Average annual return 2 year	11.10%	-
Average annual return 3 year	-	-
PORTFOLIO COMPOSITION - (%)		
Percentage of Total Assets as at 30 June:		
Bank Balances	58.04%	33.61%
GoP Ijarah Sukuks	5.75%	12.43%
Placement with Banks and DFIs	19.92%	36.34%
Corporate Sukuks	10.03%	15.42%
Stock / Equities	0.00%	0.00%
Others	6.26%	2.2000%

Note:
The Launch date of the Fund is March 14, 2024

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
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Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326053 - 63
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC SAVINGS FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Savings Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 Securities & Exchange Commission of Pakistan 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, 2026

HBL ASSET MANAGEMENT
ایسیٹ مینجمنٹ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Savings Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid
Chief Executive Officer
Dated: August 27, 2026

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLISF/636

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Savings Fund Plan-I** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Savings Fund did not book any charity amount.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

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KCHSU, Shahrah-e-Faisal
Karachi-75350
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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Islamic Savings Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Islamic Savings Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement 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, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Management Company) 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

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 the 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 are responsible for overseeing the Fund's financial reporting process.

YOUSUF ADIL
PACE ALIGNED ....

Yousuf Adil
Chartered Accountants

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 accurance, 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 the management.
- 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.

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**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 26, 2026
UDIN: AR202610057gIGBbKxFY

HBL ISLAMIC SAVINGS FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	4	**22,273,952**	2,763,480
Investments	5	**13,348,989**	5,325,357
Profit receivable	6	**213,318**	106,431
Other receivable		**45,095**	-
Total assets		**35,881,354**	8,195,268
LIABILITIES			
Payable to the Management Company	7	**35,382**	21,829
Payable to the Trustee	8	**1,448**	679
Payable to SECP	9	**1,717**	804
Dividend payable		**1,978**	9,732
Payable against redemption of units		**-**	2,725,768
Payable against purchase of investment - net		**736,399**	-
Accrued expenses and other liabilities	10	**64,450**	73,503
Total liabilities		**841,374**	2,832,315
NET ASSETS		**35,039,980**	5,362,953
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**35,039,980**	5,362,953
CONTINGENCIES AND COMMITMENTS	11		
		-------(Number of units)-------	
NUMBER OF UNITS IN ISSUE	12	**346,836,913**	53,302,157
		-------(Rupees)-------	
NET ASSETS VALUE PER UNIT	3.8	**101.0273**	100.6142

The annexed notes 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 ISLAMIC SAVINGS FUND
Income Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
		--- (Rupees in '000') ---	
INCOME			
Income from government securities		**169,624**	223,618
Income from corporate sukuk bonds		**201,161**	143,948
Profit on bank deposit		**402,674**	223,195
Profit income on musharika		**198,984**	115,159
Profit income on bai-muajjal		**340,878**	200,094
Capital loss on sale of investments - net		**(3,169)**	(4,391)
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss' - net	5.5	**(4,874)**	**152,103**
		1,305,278	904,497
EXPENSES			
Remuneration of Management Company	7.1	**152,103**	104,950
Sindh sales tax on remuneration of the Management Company	7.2	**22,815**	15,743
Remuneration of the Trustee	8.1	**6,693**	3,682
Sindh sales tax on remuneration of the Trustee	8.2	**1,004**	552
SECP fee	9	**9,126**	5,013
Securities transaction costs		**35**	20
Bank and settlement charges		**25**	201
Printing charges		**-**	160
Fees and Subscription		**367**	150
Auditors' remuneration	13	**813**	457
Shariah advisors fee		**318**	284
Formation cost		**866**	200
		194,165	132,502
Net income for the year before taxation		**1,111,113**	771,995
Taxation	14	**-**	-
Net income for the year after taxation		**1,111,113**	771,995
Allocation of net income for the year			
Net income for the year after taxation		**1,111,113**	771,995
Income already paid on redemption of units		**(978,360)**	(668,287)
		132,753	103,708
Accounting income available for distribution:			
Relating to capital gains		**-**	-
Excluding capital gains		**132,753**	103,708
		132,753	103,708

The annexed notes 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 ISLAMIC SAVINGS FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	------ (Rupees in '000) ------	
Net income for the year after taxation	**1,111,113**	771,995
Other comprehensive income	**-**	-
Total comprehensive income for the year	**1,111,113**	771,995

The annexed notes 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 ISLAMIC SAVINGS FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	June 30, 2026			June 30, 2025		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the year	**5,308,134**	**54,819**	**5,362,953**	5,241,653	6,966	5,248,619
Issuance of units 1,018,093,692 units (2025: 568,847,491 units)						
Capital value (at net asset value per unit at the beginning of the period)	**102,434,682**	**-**	**102,434,682**	56,978,495	-	56,978,495
Element of income	**1,364,572**	**-**	**1,364,572**	6,214,540	-	6,214,540
	103,799,254	**-**	**103,799,254**	63,193,035	-	63,193,035
Redemption of units 724,558,936 units (2025: 567,945,178 units)						
Capital value (at net asset value per unit at the beginning of the period)	**(72,900,918)**	**-**	**(72,900,918)**	(56,888,115)	-	(56,888,115)
Income already paid on redemption of units	**-**	**(978,360)**	**(978,360)**	-	(668,287)	(668,287)
Element of loss	**(1,174,254)**	**-**	**(1,174,254)**	(5,767,223)	-	(5,767,223)
	(74,075,172)	**(978,360)**	**(75,053,532)**	(62,655,338)	(668,287)	(63,323,625)
Total comprehensive income for the year	**-**	**1,111,113**	**1,111,113**	-	771,995	771,995
Rs. 9.35 per unit declared on June 17, 2026 as cash dividend (2025: Rs. 12.90 per unit)						
Distribution during the year year	**-**	**(71,955)**	**(71,955)**	-	(55,855)	(55,855)
Refund of capital	**(107,853)**	**-**	**(107,853)**	(471,216)	-	(471,216)
	(107,853)	**1,039,158**	**931,305**	(471,216)	716,140	244,924
Net assets at end of the period	**34,924,363**	**115,617**	**35,039,980**	5,308,134	54,819	5,362,953
Undistributed income brought forward						
Realised income		**51,945**			2,674	
Unrealised income		**2,874**			4,292	
		54,819			6,966	
Accounting income available for distribution:						
Relating to capital gains		**-**			-	
Excluding capital gains		**132,753**			103,708	
		132,753			103,708	
Distribution during the year		**(71,955)**			(55,855)	
Undistributed income carried forward:		**115,617**			54,819	
Undistributed income carried forward						
Realised		**115,617**			51,945	
Unrealised		**-**			2,874	
		115,617			54,819	
		Rupees			Rupees	
Net assets value per unit at beginning of the year		**100.6142**			100.1648	
Net assets value per unit at end of the year		**101.0273**			100.6142	

The annexed notes 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 ISLAMIC SAVINGS FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the period before taxation		**1,111,113**	771,995
Adjustments for non cash and other items:			
Income from government securities		**(169,624)**	(223,618)
Income from corporate sukuk bonds		**(201,161)**	(143,948)
Profit on bank deposit		**(402,674)**	(223,195)
Income on musharakah		**(198,984)**	(115,159)
Income on bai-muajjal		**(340,878)**	(200,094)
Capital loss on sale of investments - net		**3,169**	4,391
Unrealised gain on re-measurement of investments at fair value through profit or loss - net	5.5	**4,874**	(2,874)
		(194,165)	(132,502)
Increase in assets			
Investments - net		**(295,276)**	(1,938,403)
Other receivable		**(45,095)**	-
		(340,371)	(1,938,403)
Increase in liabilities			
Payable to the Management Company		**13,553**	12,053
Payable to the Trustee		**769**	399
Payable to the SECP		**913**	466
Accrued expenses and other liabilities		**(9,053)**	49,409
		6,182	62,327
Cash used in operations		**(528,354)**	(2,008,578)
Income received on musharika		**167,244**	123,808
Income received on government securities		**169,624**	-
Income received on bai-muajjal		**362,438**	185,725
Income received from investment in corporate sukuk		**137,798**	133,918
Profit received on bank deposits		**369,330**	**202,699**
		1,206,434	646,150
Net cash generated from / (used in) operating activities		**678,080**	(1,362,428)
CASH FLOWS FROM FINANCING ACTIVITIES			
Amount received on issue of units		**103,691,401**	63,193,035
Payment against redemption of units		**(77,779,300)**	(60,597,857)
Dividend paid		**(79,709)**	(517,379)
Net cash generated from financing activities		**25,832,392**	2,077,799
Net increase in cash and cash equivalents		**26,510,472**	715,371
Cash and cash equivalents at beginning of the year		**2,763,480**	2,048,109
Cash and cash equivalents at end of the year	16	**29,273,952**	2,763,480

The annexed notes 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 Islamic Savings Fund Plan 1 ("the Fund") was established under a Trust Deed, dated September 09, 2023 under Sindh Trust Act, 2020 (the Sindh Trust Act) executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Securities and Exchange Commission of Pakistan (SECP) authorised the Fund as a unit trust and has registered the Fund as a notified entity under the Non-Banking Finance Companies and Notified Entities Regulations 2008 Regulations" vide letter No. SCD/AMCW/HBLISF/2023/137/NF-FE-140 dated 27th September, 2023.

1.2 The Management Company is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.

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

1.4 The Fund is an open-ended mutual fund. The Fund has been categorised as a Shariah Compliant Money Market Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS). The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund. The Management Company may introduce maximum of Five Allocation Plans, one perpetual and four fixed term.

1.5 The objective of the Fund is to seek high liquidity, competitive return and maximum possible preservation of capital for investors by investing in low risk Shariah compliant securities.

1.6 VIS Credit Rating Company has assigned a management quality rating of AM1 (Stable Outlook) to the Management Company as dated December 31, 2025.

1.7 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:

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

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

2.2 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. This amendment is not relevant to the Fund's operations.

- 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

2.3 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 except those mentioned in note 2.4.

	Effective from accounting period beginning on or after
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

2.4 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the Income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid standards and amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

2.5 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, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

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

- Classification and measurement of financial assets (notes 3.1.1.1 and 5)
- Impairment of financial assets (note 3.1.1.3)
- Provision (note 3.3)
- Taxation (notes 3.4 and 14)
- Classification and measurements of financial liabilities (note 3.1.2.1)
- Contingencies and commitments (note 11)

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

2.6 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.

2.7 Basis of measurement

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)) 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 FVTPL are recognised immediately in the Income statement.

3.1.1 Financial assets

3.1.1.1 Classification and measurement of financial assets

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

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

Financial assets at amortised cost (debt instruments)

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

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

For debt instruments at fair value through other comprehensive income (FVOCI), profit income, 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 statement of comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to the Income statement.

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

Debt instruments that do not meet the amortised cost criteria or the FVOCI income criteria are classified as at fair value through profit or loss (FVTPL). In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Fund has opted to recognise its debt investments at 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 Pakistan Stock Exchange (PSX) and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on PSX are valued at revaluation rates disseminated by 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 the Commission. 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, 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 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.

3.1.1.5 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 EIR method or at FVTPL.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading) or the Fund has opted to measure them at FVTPL.

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 (Musharika Certificates) with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

3.3 Provisions

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

3.4 Taxation

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

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

3.5 Dividend distribution and appropriations

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

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

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

3.6 Issue and redemption of units

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

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

3.7 Element of income

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

3.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the period end.

3.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the Income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments 'at fair value through profit or loss' is included in the income statement in the period in which it arises.
- Income / profit from investments in musharika and bai-muajjal sukuks, and shariah compliant government securities is recognised on a time proportionate basis using EIR method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.10 Expenses

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

3.11 Earnings per unit

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

			June 30, 2026	June 30, 2025
4.	**BANK BALANCES**	**Note**	**------ (Rupees in '000) ------**	
	In savings accounts	4.1	**22,273,952**	2,763,480

4.1 These carry profits at the rates ranging between 11.30% to 12.50% (June 30, 2025: 9.00% to 11.50%) per annum and include, Rs. 754.34 million (June 30, 2025: 2,670.75 million) maintained with Habib Bank Limited (related party) which carries profit at the rate of 12.50% (June 30, 2025: 11.50%)per annum.

			June 30, 2026	June 30, 2025
5.	**INVESTMENTS**	**Note**	**------ (Rupees in '000) ------**	
	Investment at fair value through profit or loss			
	Government Securities	5.1	**2,022,237**	1,031,659
	Corporate Sukuk Bonds	5.2	**3,525,000**	1,279,000
	Bai Muajjal	5.3	**801,752**	3,014,698
	Musharika Certificates	5.4	**7,000,000**	-
			13,348,989	5,325,357

		Note	June 30, 2026	June 30, 2025
5.1	**Government Securities**		------ (Rupees in '000) ------	
	Listed Ijarah Sukuk	5.1.1	**2,022,237**	1,031,659
	Unlisted Ijarah Sukuk	5.1.1	**-**	-
			2,022,237	1,031,659

5.1.1 Government of Pakistan Ijarah Sukuks

Tenure	Issue date	Maturity date	Face value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
			As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
			---------- (Rupees in '000') ----------							---------- (%) ----------	
Listed Ijara Sukuk											
GOP Ijarah -1 Year - (Fixed)	July 26, 2024	July 25, 2025	500,000	-	500,000	-	-	-	-	-	-
GOP Ijarah -1 Year - (Fixed)	October 21, 2024	October 20, 2025	125,000	-	125,000	-	-	-	-	-	-
GOP Ijarah -1 Year - (Fixed)	December 04, 2024	December 03, 2025	150,000	-	150,000	-	-	-	-	-	-
GOP Ijarah -1 Year - (Fixed)	January 09, 2025	January 08, 2026	187,000	-	187,000	-	-	-	-	-	-
GOP Ijarah -1 Year - (Fixed)	May 30, 2025	May 29, 2026	100,000	-	100,000	-	-	-	-	-	-
GOP Ijarah -1 Year - (Fixed)*	August 21, 2025	August 20, 2026	-	1,125,000	-	1,125,000	1,110,415	1,108,237	(2,178)	3.16	8.30
GOP Ijarah -1 Year - (Fixed)*	April 16, 2026	April 15, 2027	-	1,000,000	-	1,000,000	916,696	914,000	(2,696)	2.61	6.85
As at June 30, 2026							**2,027,111**	**2,022,237**	**(4,874)**		
As at June 30, 2025							1,028,785	1,031,659	2,874		
Unisted Ijarah Sukuk											
GOP Ijarah -5 Year - (Variable)	October 06, 2021	October 06, 2026	-	712,900	712,900	-	-	-	-	-	-
GOP Ijarah -5 Year - (Variable)	October 29, 2021	October 29, 2026	-	1,657,100	1,657,100	-	-	-	-	-	-
As at June 30, 2026							**-**	**-**	**-**		
As at June 30, 2025							-	-	-		

*These carry effective yield at the rate ranging from 10.45% to 11.80% (June 30, 2025: 7.6% to 12.72%) per annum.

5.2 Corporate Sukuk Bonds - Short Term Sukkuk

Name of the investee company	Issue date	Maturity date	Profit rate	Face Value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / (loss)		
			---------- (%) ----------	---------- (Rupees in '000) ----------							---------- (%) ----------	
Pakistan Telecommunication Company Limited	March 19, 2025	September 19, 2025	3 Months Kibor + 0.10%	374,000	-	374,000	-	-	-	-	-	-
Pakistan Mobile Communications Limited	April 28, 2025	October 28, 2025	3 Months Kibor + 0.15%	265,000	-	265,000	-	-	-	-	-	-
Engro Fertilizer Limited	May 14, 2025	November 14, 2025	3 Months Kibor - 0.15%	55,000	-	55,000	-	-	-	-	-	-
Lucky Electric Power Company Limited	May 17, 2025	August 15, 2025	3 Months Kibor + 0.50%	260,000	-	260,000	-	-	-	-	-	-
Select Technologies (Private) Limited	June 16, 2025	December 16, 2025	6 Months Kibor + 1.75%	325,000	-	325,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	July 11, 2025	January 12, 2026	3 Months Kibor - 0.05%	-	100,000	100,000	-	-	-	-	-	-
Lucky Electric Power Company Limited	July 16, 2025	August 18, 2025	3 Months Kibor + 0.00%	-	45,000	45,000	-	-	-	-	-	-
K-Electric Limited	July 23, 2025	January 23, 2026	3 Months Kibor - 0.10%	-	393,000	393,000	-	-	-	-	-	-
Ismail Industries Limited	August 12, 2025	February 12, 2026	3 Months Kibor + 0.05%	-	595,000	595,000	-	-	-	-	-	-
Lucky Electric Power Company Limited	August 18, 2025	February 18, 2026	3 Months Kibor - 0.15%	-	300,000	300,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	September 29, 2025	March 30, 2026	3 Months Kibor + 0.05%	-	150,000	150,000	-	-	-	-	-	-
Select Technologies (Private) Limited	October 28, 2025	April 28, 2026	6 Months Kibor + 1.25%	-	200,000	200,000	-	-	-	-	-	-

Name of the investee company	Issue date	Maturity date	Profit rate	Face Value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / (loss)		
			---------- (%) ----------	---------- (Rupees in '000) ----------							---------- (%) ----------	
Engro Fertilizer Limited	November 17, 2025	May 18, 2026	3 Months Kibor - 0.15%	-	100,000	100,000	-	-	-	-	-	-
Select Technologies (Private) Limited	December 18, 2025	June 18, 2026	6 Months Kibor + 1.20%	-	350,000	350,000	-	-	-	-	-	-
Pakistan Telecommunication Company Limited*	January 09, 2026	July 09, 2026	6 Months Kibor + 0.00%	-	700,000	-	700,000	**700,000**	**700,000**	-	2.00	5.24
Ismail Industries Limited*	February 06, 2026	August 06, 2026	3 Month Kibor - 0.15%	-	350,000	-	350,000	**350,000**	**350,000**	-	1.00	2.62
Matco Foods Limited*	February 26, 2026	August 26, 2026	6 Month Kibor +1.00%	-	100,000	-	100,000	**100,000**	**100,000**	-	0.29	0.75
Pakistan Telecommunication Company Limited*	April 13, 2026	October 13, 2026	3 Months Kibor + 0.00%	-	750,000	-	750,000	**750,000**	**750,000**	-	2.14	5.62
Trans Wolrd Associates (Private) Limited*	April 16, 2026	October 16, 2026	6 Month Kibor +0.65%	-	225,000	-	225,000	**225,000**	**225,000**	-	0.64	1.69
Burj Clean Energy Modaraba*	April 23, 2026	October 23, 2026	6 Month Kibor +1.75%	-	150,000	-	150,000	**150,000**	**150,000**	-	0.43	1.12
Select Technologies (Private) Limited*	June 15, 2026	December 14, 2026	6 Month Kibor + 1.10%	-	350,000	-	350,000	**350,000**	**350,000**	-	1.00	2.62
Citi Pharma Limited*	June 22, 2026	December 22, 2026	3 Month Kibor - 0.70%	-	150,000	-	150,000	**150,000**	**150,000**	-	0.43	1.12
Pakistan Telecommunication Company Limited*	June 29, 2026	December 29, 2026	3 Months Kibor +0.00%	-	750,000	-	750,000	**750,000**	**750,000**	-	2.14	5.62
As at June 30, 2026								**3,525,000**	**3,525,000**	-		
As at June 30, 2025								1,279,000	1,279,000	-		

*These carrying effective yield ranging between 10.35% to 13.66% (June 30, 2025: 10.91% to 12.75%) per annum.

5.3 Bai-Muajjal

Name of the investee company	Issue date	Maturity date	Profit rate	Face Value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
				As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / (loss)		
			--- (%) ---	---------- (Rupees in '000) ----------							---------- (%) ----------	
Pak Brunei Investment Company Limited	May 20, 2025	August 21, 2025	10.85	950,000	-	950,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	May 26, 2025	August 22, 2025	10.85	975,000	-	975,000	-	-	-	-	-	-
Askari Bank Limited	May 27, 2025	July 28, 2025	10.83	975,000	-	975,000	-	-	-	-	-	-
Pak Oman Investment Company Limited	August 05, 2025	November 03, 2025	10.70	-	1,500,000	1,500,000	-	-	-	-	-	-
Askari Bank Limited	August 11, 2025	November 10, 2025	10.75	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	October 21, 2025	January 29, 2026	10.90	-	1,601,200	1,601,200	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	October 23, 2025	January 26, 2026	10.92	-	1,300,000	1,300,000	-	-	-	-	-	-
Askari Bank Limited	November 03, 2025	February 03, 2026	10.80	-	750,000	750,000	-	-	-	-	-	-
United Bank Limited	November 17, 2025	February 16, 2026	10.85	-	1,201,800	1,201,800	-	-	-	-	-	-
Pak Oman Investment Company Limited	January 30, 2026	April 30, 2026	10.30	-	1,450,000	1,450,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	February 02, 2026	May 04, 2026	10.30	-	1,450,000	1,450,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company Limited*	May 13, 2026	August 13, 2026	11.55	-	800,000	-	800,000	**801,752**	**801,752**	-	2.29	6.01
As at June 30, 2026								**801,752**	**801,752**	-		
As at June 30, 2025								3,014,698	3,014,698	-		

*This carries effective interest rate of 11.55% (June 30, 2025: 10.83% to 21.15%) per annum.

5.4 Musharika Certificates

Name of the Investee company	Issue date	Maturity date	Profit rate	Face value				As at June 30, 2026		Market value as a percentage of net asset	Market value as a percentage of total investments
				As at July 01, 2025	Purchased during the year	Matured during the year	As at June 30, 2026	Carrying value	Market value		
			-------- (%) --------		---------- (Rupess in '000) ----------					---------- (%) ----------	
Faysal Bank Limited	July 04, 2025	July 07, 2025	10.35	-	850,000	850,000	-	-	-	-	-
Habib Bank Limited	July 04, 2025	July 11, 2025	10.60	-	850,000	850,000	-	-	-	-	-
Habib Bank Limited	July 11, 2025	July 18, 2025	10.55	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	July 18, 2025	July 21, 2025	10.55	-	1,000,000	1,000,000	-	-	-	-	-
Habib Bank Limited	July 21, 2025	July 22, 2025	10.65	-	1,000,000	1,000,000	-	-	-	-	-
Habib Bank Limited	July 22, 2025	July 23, 2025	10.60	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	July 23, 2025	July 24, 2025	10.60	-	1,000,000	1,000,000	-	-	-	-	-
Habib Bank Limited	July 24, 2025	July 25, 2025	10.65	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	July 25, 2025	July 31, 2025	10.50	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	July 28, 2025	July 29, 2025	10.50	-	1,300,000	1,300,000	-	-	-	-	-
Meezan Bank Limited	July 31, 2025	August 04, 2025	9.99	-	1,400,000	1,400,000	-	-	-	-	-
Meezan Bank Limited	August 01, 2025	August 08, 2025	10.45	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	August 15, 2025	August 22, 2025	10.50	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	August 22, 2025	August 29, 2025	10.50	-	1,250,000	1,250,000	-	-	-	-	-
Faysal Bank Limited	August 27, 2025	September 10, 2025	10.60	-	450,000	450,000	-	-	-	-	-
Faysal Bank Limited	September 08, 2025	September 09, 2025	10.60	-	1,000,000	1,000,000	-	-	-	-	-
Askari Bank Limited	September 22, 2025	September 23, 2025	10.60	-	1,250,000	1,250,000	-	-	-	-	-
Faysal Bank Limited	September 23, 2025	September 24, 2025	10.60	-	1,250,000	1,250,000	-	-	-	-	-
Meezan Bank Limited	October 01, 2025	October 02, 2025	10.60	-	1,300,000	1,300,000	-	-	-	-	-
Meezan Bank Limited	October 02, 2025	October 03, 2025	10.55	-	1,300,000	1,300,000	-	-	-	-	-
Meezan Bank Limited	October 21, 2025	October 22, 2025	10.60	-	1,700,000	1,700,000	-	-	-	-	-
Meezan Bank Limited	October 22, 2025	October 23, 2025	10.60	-	1,700,000	1,700,000	-	-	-	-	-
Meezan Bank Limited	October 23, 2025	October 31, 2025	10.55	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	October 24, 2025	October 27, 2025	10.50	-	300,000	300,000	-	-	-	-	-
Habib Bank Limited	October 27, 2025	October 28, 2025	10.40	-	300,000	300,000	-	-	-	-	-
Meezan Bank Limited	October 29, 2025	October 30, 2025	10.60	-	650,000	650,000	-	-	-	-	-
Meezan Bank Limited	October 30, 2025	October 31, 2025	10.50	-	800,000	800,000	-	-	-	-	-
Meezan Bank Limited	October 31, 2025	November 03, 2025	10.50	-	600,000	600,000	-	-	-	-	-
Meezan Bank Limited	October 31, 2025	November 07, 2025	10.65	-	1,800,000	1,800,000	-	-	-	-	-
Faysal Bank Limited	November 03, 2025	November 04, 2025	10.65	-	1,250,000	1,250,000	-	-	-	-	-
Habib Bank Limited	November 04, 2025	November 05, 2025	10.60	-	1,200,000	1,200,000	-	-	-	-	-
Habib Bank Limited	November 05, 2025	November 06, 2025	10.35	-	1,170,000	1,170,000	-	-	-	-	-
Faysal Bank Limited	November 07, 2025	November 10, 2025	10.40	-	1,150,000	1,150,000	-	-	-	-	-
Meezan Bank Limited	November 07, 2025	November 14, 2025	10.60	-	1,760,000	1,760,000	-	-	-	-	-
Faysal Bank Limited	November 10, 2025	November 11, 2025	10.35	-	750,000	750,000	-	-	-	-	-
Faysal Bank Limited	November 10, 2025	November 17, 2025	10.60	-	1,000,000	1,000,000	-	-	-	-	-
Habib Bank Limited	November 11, 2025	November 12, 2025	10.50	-	800,000	800,000	-	-	-	-	-
Habib Bank Limited	November 12, 2025	November 13, 2025	10.50	-	300,000	300,000	-	-	-	-	-
Meezan Bank Limited	November 14, 2025	November 17, 2025	10.65	-	1,700,000	1,700,000	-	-	-	-	-
Meezan Bank Limited	November 17, 2025	November 18, 2025	10.65	-	1,600,000	1,600,000	-	-	-	-	-
Meezan Bank Limited	November 18, 2025	November 19, 2025	10.65	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	November 19, 2025	November 20, 2025	10.65	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	November 20, 2025	November 21, 2025	10.65	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	November 21, 2025	November 24, 2025	10.60	-	1,500,000	1,500,000	-	-	-	-	-
Habib Bank Limited	November 24, 2025	November 25, 2025	10.50	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	November 25, 2025	November 26, 2025	10.65	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	November 26, 2025	November 27, 2025	10.65	-	1,450,000	1,450,000	-	-	-	-	-
Meezan Bank Limited	November 27, 2025	November 28, 2025	10.65	-	1,450,000	1,450,000	-	-	-	-	-
Meezan Bank Limited	December 02, 2025	December 03, 2025	10.65	-	1,500,000	1,500,000	-	-	-	-	-

Name of the Investee company	Issue date	Maturity date	Profit rate	Face value				As at June 30, 2026		Market value as a percentage of net asset	Market value as a percentage of total investments
				As at July 01, 2025	Purchased during the year	Matured during the year	As at June 30, 2026	Carrying value	Market value		
				---------- (Rupess in '000) ----------						---------- (%) ----------	
Meezan Bank Limited	December 04, 2025	December 05, 2025	10.65	-	1,700,000	1,700,000	-	-	-	-	-
Habib Bank Limited	December 05, 2025	December 08, 2025	10.50	-	1,600,000	1,600,000	-	-	-	-	-
Habib Bank Limited	December 09, 2025	December 10, 2025	10.30	-	1,400,000	1,400,000	-	-	-	-	-
Habib Bank Limited	December 10, 2025	December 11, 2025	10.40	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	December 15, 2025	December 16, 2025	10.65	-	1,350,000	1,350,000	-	-	-	-	-
Meezan Bank Limited	December 17, 2025	December 18, 2025	10.35	-	1,600,000	1,600,000	-	-	-	-	-
Faysal Bank Limited	January 29, 2026	January 30, 2026	10.05	-	1,400,000	1,400,000	-	-	-	-	-
Faysal Bank Limited	February 13, 2026	February 23, 2026	10.10	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	February 16, 2026	February 23, 2026	10.20	-	1,000,000	1,000,000	-	-	-	-	-
United Bank Limited	February 18, 2026	February 23, 2026	10.15	-	1,500,000	1,500,000	-	-	-	-	-
Meezan Bank Limited	February 23, 2026	March 02, 2026	10.20	-	1,500,000	1,500,000	-	-	-	-	-
Habib Bank Limited	February 25, 2026	February 26, 2026	10.25	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	February 27, 2026	March 06, 2026	10.15	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	March 02, 2026	March 09, 2026	10.20	-	1,500,000	1,500,000	-	-	-	-	-
Askari Bank Limited	March 06, 2026	April 03, 2026	10.50	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	March 09, 2026	March 10, 2026	10.25	-	1,500,000	1,500,000	-	-	-	-	-
Habib Bank Limited	March 10, 2026	March 12, 2026	10.25	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	March 11, 2026	March 12, 2026	10.20	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	March 12, 2026	March 16, 2026	10.20	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	March 16, 2026	March 25, 2026	10.25	-	1,500,000	1,500,000	-	-	-	-	-
Faysal Bank Limited	March 17, 2026	March 18, 2026	10.30	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	March 18, 2026	March 19, 2026	10.30	-	1,000,000	1,000,000	-	-	-	-	-
Faysal Bank Limited	March 19, 2026	March 24, 2026	10.30	-	1,200,000	1,200,000	-	-	-	-	-
Meezan Bank Limited	March 25, 2026	March 30, 2026	10.20	-	1,500,000	1,500,000	-	-	-	-	-
First Habib Modaraba*	April 03, 2026	July 03, 2026	11.50	-	1,000,000	-	1,000,000	**1,000,000**	**1,000,000**	2.85	7.49
Meezan Bank Limited	April 10, 2026	April 20, 2026	10.28	-	1,800,000	1,800,000	-	-	-	-	-
Habib Bank Limited	April 20, 2026	April 24, 2026	10.45	-	1,850,000	1,850,000	-	-	-	-	-
Meezan Bank Limited	April 24, 2026	April 30, 2026	10.25	-	1,800,000	1,800,000	-	-	-	-	-
Habib Bank Limited	April 29, 2026	May 08, 2026	11.25	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	April 30, 2026	May 04, 2026	11.20	-	1,000,000	1,000,000	-	-	-	-	-
Meezan Bank Limited	April 30, 2026	May 04, 2026	11.20	-	800,000	800,000	-	-	-	-	-
Meezan Bank Limited.	May 04, 2026	May 18, 2026	11.25	-	1,800,000	1,800,000	-	-	-	-	-
Faysal Bank Limited	May 05, 2026	May 08, 2026	11.25	-	1,800,000	1,800,000	-	-	-	-	-
Faysal Bank Limited	May 08, 2026	May 15, 2026	11.20	-	2,000,000	2,000,000	-	-	-	-	-
Faysal Bank Limited	May 18, 2026	May 25, 2026	11.34	-	1,800,000	1,800,000	-	-	-	-	-
Meezan Bank Limited	May 19, 2026	June 09, 2026	11.36	-	800,000	800,000	-	-	-	-	-
Meezan Bank Limited.	May 22, 2026	June 15, 2026	11.35	-	1,000,000	1,000,000	-	-	-	-	-
Habib Bank Limited	May 25, 2026	June 02, 2026	11.40	-	1,800,000	1,800,000	-	-	-	-	-
Askari Bank Limited	June 23, 2026	June 29, 2026	11.30	-	4,000,000	4,000,000	-	-	-	-	-
Askari Bank Limited	June 23, 2026	June 29, 2026	11.30	-	6,000,000	6,000,000	-	-	-	-	-
Faysal Bank Limited	June 24, 2026	June 29, 2026	11.25	-	4,000,000	4,000,000	-	-	-	-	-
Faysal Bank Limited	June 24, 2026	June 29, 2026	11.25	-	4,000,000	4,000,000	-	-	-	-	-
Askari Bank Limited*	June 29, 2026	July 06, 2026	11.25	-	3,000,000	-	3,000,000	**3,000,000**	**3,000,000**	8.56	22.47
Askari Bank Limited*	June 29, 2026	July 06, 2026	11.25	-	3,000,000	-	3,000,000	**3,000,000**	**3,000,000**	8.56	22.47
As at June 30, 2026								**7,000,000**	**7,000,000**		
As at June 30, 2025								-	-		

*These carrying effective yield ranging between 11.25% to 11.50% per annum (June 30, 2025: Nil).

		Note	June 30, 2026	June 30, 2025
			------ (Rupees in '000) ------	
5.5	**Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss' - net**			
	Market value of investments	5.1, 5.2, 5.3 & 5.4	**13,348,989**	5,325,357
	Less: Carrying value of investments	5.1, 5.2, 5.3 & 5.4	**13,353,863**	5,322,483
			(4,874)	2,874
6.	**PROFIT RECEIVABLE**			
	Profit receivable on:			
	Bank deposits	6.1	**81,819**	48,475
	Corporate sukuk		**87,581**	24,218
	Bai-muajjal		**12,178**	33,738
	Musharika		**31,740**	-
			213,318	106,431

6.1 These includes Rs. 32.581 million (June 30, 2025: 43.238 million) receivable from Habib Bank Limited, which is a related party.

		Note	June 30, 2026	June 30, 2025
			------ (Rupees in '000) ------	
7.	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Management remuneration payable	7.1	**28,601**	17,159
	Sindh sales tax payable on Management Company's remuneration	7.2	**4,290**	2,574
	Sales load payable		**2,491**	1,828
	Formation cost payable		**-**	268
			35,382	21,829

7.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Money Market Scheme is capped at 1.25% per annum, calculated on the basis of the average daily net assets, effective from July 01, 2025. Accordingly, the Management Company has charged management fees at a rate of 1.25% the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

7.2 The Sindh Government has levied sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Management Company through Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2026	June 30, 2025
			------ (Rupees in '000) ------	
8.	**PAYABLE TO THE TRUSTEE**			
	Trustee fee payable	8.1	**1,259**	590
	Sindh sales tax payable on remuneration of the Trustee	8.2	**189**	89
			1,448	679

8.1 As per CDC vide notification CDC/CEO/L-259/01/2021, dated October 11, 2021, Trustee fee shall be charged at the rate of 0.055% (June 30, 2025: 0.055%) of the average annual net assets of the Fund.

8.2 Sindh sales tax at the rate of 15% (June 30, 2025: 15%) is applicable on Trustee fee as per Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
9.	**PAYABLE TO SECP**			
	SECP fee payable	9.1	**1,717**	804

9.1 The Fund has charged SECP Fee at the rate of 0.075% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

		June 30, 2026	June 30, 2025
10.	**ACCRUED EXPENSES AND OTHER LIABILITIES**	**----- (Rupees in '000) -----**	
	Withholding tax payable	**63,437**	72,639
	Auditors' remuneration	**492**	444
	Printing payable	**203**	173
	Shariah advisory fee payable	**66**	99
	Other payables	**252**	148
		64,450	73,503

11. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 and June 30, 2025.

		June 30, 2026	June 30, 2025
12.	**NUMBER OF UNITS IN ISSUE**	**----- (Number of Units) -----**	
	Movement during the year		
	Total units in issue at the beginning	**53,302,157**	52,399,844
	Add: Units issued	**1,018,093,692**	568,847,491
	Less: Units redeemed	**724,558,936**	567,945,178
	Total units in issue at the end	**346,836,913**	53,302,157

		Note	June 30, 2026	June 30, 2025
13.	**AUDITORS' REMUNERATION**		**----- (Rupees in '000) -----**	
	Annual audit fee		**543**	305
	Half yearly review		**77**	43
	Other certification and services		**71**	40
	Out of pocket expenses		**62**	35
			753	423
	Sindh sales tax on services		**60**	34
			813	457

14. TAXATION

The Fund's income is exempt from income tax as per Clause 99 of Part I of the Second Schedule to the ITO, 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 ITO, 2001. The Fund has not recorded a tax liability in the current period, as the Management Company has distributed atleast 90% of the Fund's accounting income as reduced by accumulated losses and capital gains whether realised or unrealised for the year ended June 30, 2026 to its unit holders.

15. Total Expense Ratio

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2026 is 1.60% (2025: 1.98%), which includes 0.27% (2025: 0.32%) representing government levy, SECP fee, and other related charges. However, Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CIS, effective from July 01, 2025.

		Note	June 30, 2026	June 30, 2025
16.	**CASH AND CASH EQUIVALENTS**		**----- (Rupees in '000) -----**	
	Bank balances	4	**22,273,952**	2,763,480
	Musharika Certificates	5.4	**7,000,000**	-
			29,273,952	2,763,480

17. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include the Management Company and its related entities, the Trustee, other CIS and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material profit, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

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

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, 2026	June 30, 2025
17.1	**Details of transactions with related parties / connected persons during the year:**	**----- (Rupees in '000) -----**	
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	**152,103**	104,950
	Sindh sales tax on remuneration of the Management Company	**22,815**	15,743
	Selling and marketing expense	**-**	1,090
	Formation Cost	**866**	-
	Issue of 6,764,643 units (2025: Nil units)	**693,715**	-
	Redemption of 6,764,643 units (2025: Nil units)	**695,886**	-
	Central Depository Company of Pakistan Limited - Trustee		
	Trustee remuneration	**6,693**	3,682
	Sindh sales tax payable on the Trustee fee	**1,004**	552
	Central Depository Service charges	**15**	15
	Habib Bank Limited - Sponsors		
	Bank charges	**-**	200
	Profit on bank deposit earned	**146,349**	69,030
	Purchase of GOP Ijara	**6,524,253**	-
	HBL Islamic Income Fund	**1,142,380**	-
	Purchase of Corporate Sukuk - Short Term	**-**	-
	HBL IPF Debt Sub Fund		
	Purchase of Corporate Sukuk - Short Term	**47,121**	-
	HBL Islamic Money Market Fund		
	Purchase of Corporate Sukuk - Short Term	**801,792**	-
	Sale of Corporate Sukuk - Short Term	**3,397,702**	-
	HBL Islamic Fixed Term Fund - Plan IX		
	Sale of Corporate Sukuk - Short Term	**2,592,655**	-
	HBL Islamic Fixed Term Fund - Plan VIII		
	Sale of Corporate Sukuk - Short Term	**3,490,264**	-

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Directors and Executives of the Management Company		
Issue of 1,179,794 units (2025: 1,234,086 units)	**122,843**	133,368
Redemption of 1,367,472 units (2025: 1,021,982 units)	**143,612**	111,707
Connected person due to holding of more than 10%		
Issue of 98,078,485 units (2025: Nil units)	**9,905,890**	-
Redemption of 51,356,496 units (2025: Nil units)	**5,261,836**	-

17.2 Balances outstanding as at the year

HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	**28,601**	17,159
Sindh sales tax payable on Management Company's remuneration	**4,290**	2,574
Sales load payable	**2,491**	1,828
Selling and marketing expense payable	**-**	-
Formation cost payable	**-**	268
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**1,259**	590
Sindh sales tax payable on Trustee fee	**189**	89
Habib Bank Limited - Sponsor		
Bank balances	**754,344**	2,670,752
Profit Receivable	**31,581**	43,238
Directors and executives of the Management Company		
Units held: 39,343 units (June 30, 2025: 233,074 units)	**3,975**	23,451
Connected person due to holding of more than 10%		
Investment held in the Fund: 46,721,990 units (June 30, 2025: Nil units)	**4,720,196**	-

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 IFRS. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

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

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

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

Particulars	June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Government of Pakistan Ijarah Sukuk	**2,022,237**	**-**	**2,022,237**	**2,022,237**	**-**	**-**	**2,022,237**
Corporate Sukuk Bonds	**3,525,000**	**-**	**3,525,000**	**-**	**-**	**3,525,000**	**3,525,000**
Bai Muajjal	**801,752**	**-**	**801,752**	**-**	**-**	**801,752**	**801,752**
Musharika Certificates	**7,000,000**	**-**	**7,000,000**	**-**	**-**	**7,000,000**	**7,000,000**
	13,348,989	**-**	**13,348,989**	**2,022,237**	**-**	**11,326,752**	**13,348,989**
Financial assets not measured at fair value							
Bank balance	**-**	**22,273,952**	**22,273,952**				
Profit receivable	**-**	**213,318**	**213,318**				
Other receivable	**-**	**45,095**	**45,095**				
	-	**22,532,365**	**22,532,365**				
Financial liabilities not measured at fair value							
Payable to the Management Company	**-**	**31,092**	**31,092**				
Payable to the Trustee	**-**	**1,259**	**1,259**				
Dividend payable	**-**	**1,978**	**1,978**				
Payable against purchase of investment - net	**-**	**736,399**	**736,399**				
Accrued expenses and other liabilities	**-**	**960**	**960**				
	-	**771,688**	**771,688**				

During the year ended June 30, 2026, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Government of Pakistan Ijarah Sukuk	1,031,659	-	1,031,659	1,031,659	-	-	1,031,659
Corporate Sukuk Bonds	1,279,000	-	1,279,000	-	-	1,279,000	1,279,000
Bai Muajjal	3,014,698	-	3,014,698	-	-	3,014,698	3,014,698
Musharika Certificates	-	-	-	-	-	-	-
	5,325,357	-	5,325,357	1,031,659	-	4,293,698	5,325,357
Financial assets not measured at fair value							
Bank balance	-	2,763,480	2,763,480				
Profit receivable	-	106,431	106,431				
	-	2,869,911	2,869,911				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	19,255	19,255				
Payable to the Trustee	-	590	590				
Accrued expenses and other liabilities	-	831	831				
Payable against redemption of units	-	2,725,768	2,725,768				
Dividend payable	-	9,732	9,732				
	-	2,756,176	2,756,176				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

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, profit rate and other price risk), credit risk and liquidity risk. Risk of the Fund are being managed by the Management Company in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mentioned risks. The Board 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 the Management Company and the regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

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

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 Yield / profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market profit rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances, investments in Bai mujjal, Musharika certificates, Corporate Sukuk Bonds and Government of Pakistan Ijarah Sukuks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2026 details of Fund's profit bearing financial instruments were as follows:

	Note	**June 30, 2026**	June 30, 2025
		------- (Rupees in '000) -------	
Variable rate instrument (financial asset)			
Corporate Sukuk Bonds	5.2	**3,525,000**	1,279,000
Bank balances	4	**22,273,952**	2,763,480
		25,798,952	4,042,480
Fixed rate instruments (financial assets)			
Government of Pakistan Ijarah Sukuk	5.1	**2,022,237**	1,031,659
Musharika Certificates	5.4	**7,000,000**	-
Bai Muajjal	5.3	**801,752**	3,014,698
		9,823,989	4,046,357

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based bank balances and Corporate Sukuk Bonds which expose the Fund to cash flow profit rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 257.99 million (June 30, 2025: Rs. 40.42 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund holds Government of Pakistan Ijarah Sukuks, Musharika Certificates, Corporate Sukuk Bonds and Bai-muajjal which are fixed rate instruments exposing the Fund to fair value profit rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2026, the net income for the year and net assets would be lower / higher by Rs. 98.24 million (June 30, 2025: Rs. 40.46 million).

Yield / profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

The Fund's profit rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	June 30, 2026					
		Exposed to yield / profit rate risk				
	Yield / effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit risk	Total
	----- (%) -----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	**11.3 - 12.5**	**22,273,952**	**-**	**-**	**-**	**22,273,952**
Investments						
Government of Pakistan GOP Ijarah Sukuk	**10.45 - 11.80**	**1,108,237**	**914,000**	**-**	**-**	**2,022,237**
Corporate Sukuk Bonds	**10.35 - 13.66**	**1,150,000**	**2,375,000**	**-**	**-**	**3,525,000**
Musharika Certificates	**11.25 - 11.50**	**7,000,000**	**-**	**-**	**-**	**7,000,000**
Bai Muajjal	**11.55**	**801,752**	**-**	**-**	**-**	**801,752**
Profit receivable		**-**	**-**	**-**	**213,318**	**213,318**
Other receivable		**-**	**-**	**-**	**45,095**	**45,095**
		32,333,941	**3,289,000**	**-**	**258,413**	**35,881,354**
Financial Liabilities						
Payable to the Management Company		**-**	**-**	**-**	**31,092**	**31,092**
Payable to the Trustee		**-**	**-**	**-**	**1,259**	**1,259**
Payable against purchase of investment - net		**-**	**-**	**-**	**736,399**	**736,399**
Dividend payable		**-**	**-**	**-**	**1,978**	**1,978**
Accrued expenses and other liabilities		**-**	**-**	**-**	**960**	**960**
		-	**-**	**-**	**771,688**	**771,688**

	June 30, 2025					
		Exposed to yield / profit rate risk				
	Yield / effective profit rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / profit risk	Total
	----- (%) -----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	9.00 to 11.50	2,763,480	-	-	-	2,763,480
Investments						
Government of Pakistan (GOP) Ijara Sukuk	7.6 - 12.72	496,950	534,709	-	-	1,031,659
Corporate sukuk bonds	10.91 - 12.75	634,000	645,000	-	-	1,279,000
Bai Muajjal	10.83 to 21.15	3,014,698	-	-	-	3,014,698
Profit receivable		-	-	-	106,431	106,431
		6,909,128	1,179,709	-	106,431	8,195,268
Financial Liabilities						
Payable to the Management Company		-	-	-	19,255	19,255
Payable to the Trustee		-	-	-	590	590
Accrued expenses and other liabilities		-	-	-	831	831
Payable against redemption of units		-	-	-	2,725,768	2,725,768
Dividend payable		-	-	-	9,732	9,732
		-	-	-	2,756,176	2,756,176

19.1.3 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.

19.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments in musharika certificates, bank balances, corporate sukuk bonds and bai-muajjal. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

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

Credit risk from bank balances, investment in musharika certificates and bai-muajjal 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, 2026		June 30, 2025	
		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
	Note	**---------- (Rupees in '000) ----------**			
Bank Balances	4	**22,273,952**	**22,273,952**	2,763,480	2,763,480
Government of Pakistan Ijarah Sukuk	5.1.2	**2,022,237**	**-**	1,031,659	-
Corporate Sukuk Bonds	5.2	**3,525,000**	**3,525,000**	1,279,000	1,279,000
Musharika Certificates	5.4	**7,000,000**	**7,000,000**	-	-
Bai Muajjal	5.3	**801,752**	**801,752**	3,014,698	3,014,698
Profit receivable	6	**213,318**	**213,318**	106,431	106,431
Other receivable		**45,095**	**45,095**	-	-
		35,881,354	**33,859,117**	8,195,268	7,163,609

19.2.1 The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2026:

Name of Banks	**Balances held as at June 30, 2026**	**Latest available published rating as at June 30, 2026**	**Rating agency**
	----------(Rupees in '000')----------		
Bank Balances by rating category			
United Bank Limited	**2,132,992**	**AAA**	**VIS**
Habib Bank Limited	**19,869,090**	**AAA**	**VIS**
Faysal Bank Limited	**271,870**	**AA+**	**VIS**
	22,273,952		

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

	June 30, 2026 --(%)--
AAA	**98.78**
AA+	**1.22**
	100

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	----------(Rupees in '000')----------		
Bank Balances by rating category			
United Bank Limited	17,289	AAA	VIS
Habib Bank Limited	2,670,752	AAA	VIS
Faysal Bank Limited	75,439	AA+	PACRA
	2,763,480		

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

	June 30, 2025 -------(%)-------
AAA	97.27
AA+	2.73
	100

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.

19.3 Liquidity risk

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

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

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

	Note	June 30, 2026					
		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	4	**22,273,952**	**-**	**-**	**-**	**-**	**22,273,952**
Investments	5	**7,700,000**	**2,359,989**	**2,389,000**	**-**	**-**	**12,448,989**
Profit receivable	6	**213,318**	**-**	**-**	**-**	**-**	**213,318**
Other receivable		**45,095**	**-**	**-**	**-**	**-**	**45,095**
		30,232,365	**2,359,989**	**2,389,000**	**-**	**-**	**34,981,354**
Financial liabilities							
Payable to the Management Company	7	**31,092**	**-**	**-**	**-**	**-**	**31,092**
Payable to the Trustee	8	**1,259**	**-**	**-**	**-**	**-**	**1,259**
Dividend payable		**1,978**	**-**	**-**	**-**	**-**	**1,978**
Payable against purchase of investment - net		**736,399**					
Accrued expenses and other liabilities	10	**960**	**-**	**-**	**-**	**-**	**960**
		771,688	**-**	**-**	**-**	**-**	**35,289**
On-balance sheet gap		**29,460,677**	**2,359,989**	**2,389,000**	**-**	**-**	**34,946,065**
Total liquidity risk sensitivity gap		**29,460,677**	**2,359,989**	**2,389,000**	**-**	**-**	
Cumulative liquidity risk sensitivity gap		**29,460,677**	**31,820,666**	**34,209,666**	**34,209,666**	**34,209,666**	

	Note	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	4	2,763,480	-	-	-	-	2,763,480
Investments	5	-	3,511,648	1,813,709	-	-	5,325,357
Profit receivable	6	70,185	-	-	-	-	70,185
		2,833,665	3,511,648	1,813,709	-	-	8,159,022
Financial liabilities							
Payable to the Management Company	7	19,255	-	-	-	-	19,255
Payable to the Trustee	8	590	-	-	-	-	590
Dividend payable		9,732	-	-	-	-	9,732
Payable against redemption of units		2,725,768	-	-	-	-	2,725,768
Accrued expenses and other liabilities	10	831	-	-	-	-	831
		2,756,176	-	-	-	-	2,756,176
On-balance sheet gap		77,489	3,511,648	1,813,709	-	-	5,402,846
Total liquidity risk sensitivity gap		77,489	3,511,648	1,813,709	-	-	
Cumulative liquidity risk sensitivity gap		77,489	3,589,137	5,402,846	5,402,846	5,402,846	

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 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 BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Brokers during the period ended June 30, 2026

1 Arif Habib Limited
2 Continental Exchange (Private) Limited
3 Optimus Capital Management (Private) Limited
4 Pearl Securities Limited
5 AKD Securities Limited

Brokers during the period ended June 30, 2025

1 Continental Exchange (Private) Limited
2 Invest One Market Limited
3 Currency Market Associates (Private) Limited
4 Icon Management (Private) Limited
5 Summit Capital (Private) Limited
6 Alfalah CLSA Securities (Private) Limited
7 Next Capital Limited

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. No.	Names	Designation	Qualifications	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3.	Mr. Amin Mohammad	Head of Risk	MBA	34
4.	Mr. Sunny Kumar	Head of Equities	B. Com	8
5.	Mr. Wasim Akram	Senior Fund Manager	MBA	23
6.	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	22
7.	Ms. Nida Siddiqui	Assistant Fund Manager	MBA	1

23. PATTERN OF UNIT HOLDING

Pattern of unit holding as at June 30, 2026 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000')	---- (%) ----
Individuals	**11,898**	**225,071,759**	**22,738,381**	**64.89**
Foreign individuals	**9**	**301,533**	**30,463**	**0.09**
Insurance Companies	**16**	**8,278,587**	**836,363**	**2.39**
Retirement Funds	**15**	**341,565**	**34,507**	**0.10**
Other corporates	**114**	**112,627,779**	**11,378,475**	**32.47**
Others	**1**	**215,690**	**21,791**	**0.06**
	12,063	**346,836,913**	**35,039,980**	**100.00**

Pattern of unit holding as at June 30, 2025 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000')	---- (%) ----
Individuals	1,197	45,317,720	4,559,606	85.02
Insurance Companies	1	558	57	-
Trust	1	52,158	5,248	0.10
Retirement Funds	2	107,599	10,826	0.20
Other corporates	7	7,824,122	787,216	14.68
	1,208	53,302,157	5,362,953	100.00

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

Nine meetings of the Board were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No	Name of Directors	Number of meetings		Leaves Granted	Meetings not attended
		Held	Attended		
1.	Mr. Shahid Ghaffar	9	9	-	-
2.	Ms. Ava A. Cowasjee	9	8	1	June 04,2025
3.	Mr. Khalid Malik	9	9	-	-
4.	Mr. Tariq Masaud	9	8	1	October 30, 2025
5.	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026,
6.	Mr. Mir Adil Rashid	9	9	-	-
7.	Ms. Sheeza Ahmed	9	9	-	-
8.	Mr. Irfan Ahmed Meer***	3	2	1	April 29, 2025
9.	Dr. Sahar Awan***	3	3	-	-
10.	Mr. Rayomond H. Kotwal**	6	5	1	December 22, 2025
11.	Mr. Habib Yousuf Habib*	3	3	-	-

* Resigned on November 27, 2025

** Resigned on April 06, 2026

*** Appointed on April 08, 2026

25. 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 rearrangments or reclassifications were made in these financial statements.

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 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director



Islamic Fixed Term Fund

FUND INFORMATION

NAME OF FUND	HBL Islamic Fixed Term Fund
NAME OF AUDITOR	BDO EBRAHIM & Co. Chartered Accountant
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited (CDC)
NAME OF SHARIAH ADVISOR	Al - Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Habib Bank Limited United Bank Limited

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC FIXED TERM FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Fixed Term Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 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 Securities & Exchange Commission of Pakistan 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, 2026

HBL ASSET MANAGEMENT
ایچ بی ایل ایسیٹ مینجمنٹ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Fixed Term Fund (the fund) has fully complied with the Sha.iah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid

Chief Executive Officer

Dated: August 27, 2026

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLIFTF/634

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Fixed Term Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Fixed Term Fund did not book any charity amount.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited

BDO

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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL ISLAMIC FIXED TERM FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Islamic Fixed Term Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, and its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

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

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

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Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL ISLAMIC FIXED TERM FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Islamic Fixed Term Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, and its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

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

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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.

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 Non - Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non - Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166YIi6osPd0

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL ISLAMIC FIXED TERM FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026									2025
		Plan-II	Plan-III	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	
		---------- Rupees in '000' ----------									
ASSETS											
Balances with banks	5	889	153,888	68,007	1,141	1,662	327,366	28,255	715,173	1,296,381	1,598
Investments	6	-	-	-	-	-	-	-	-	-	-
CDC security deposit		-	-	-	-	-	-	-	-	-	100
Other receivables		189	-	-	-	-	-	-	214	403	-
Profit receivable	7	-	-	5,683	-	605	1,616	7,802	3,296	19,002	-
TOTAL ASSETS		1,078	153,888	73,690	1,141	2,267	328,982	36,057	718,683	1,315,786	1,698
LIABILITIES											
Payable to the HBL Asset Management Limited - Management Company	8	138	110	118	-	110	775	443	137	1,831	1,042
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	76	-	22	-	-	430	514	189	1,231	-
Payable to Securities and Exchange Commission of Pakistan	10	-	-	26	-	-	510	565	223	1,324	-
Legal fee payable		50	100	75	150	150	75	50	-	650	150
Accrued expenses and other liabilities	11	814	153,678	73,449	991	2,007	327,192	34,485	718,134	1,310,750	506
TOTAL LIABILITIES		1,078	153,888	73,690	1,141	2,267	328,982	36,057	718,683	1,315,786	1,698
NET ASSETS		-	-	-	-	-	-	-	-	-	-
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	-	-	-	-	-	-	-		-
CONTINGENCIES AND COMMITMENTS	12										
		---------- Number of units ----------									
Number of units in issue	13	-	-	-	-	-	-	-	-		-
		---------- Rupees ----------									
Net assets value per unit		-	-	-	-	-	-	-	-		-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC FIXED TERM FUND
INCOME STATEMENT
For The Year Ended June 30, 2026

	Note	For the period from December 11, 2025 to March 13, 2026	For the period from February 10, 2026 to May 12, 2026	For the period from February 23, 2026 to June 02, 2026	For the period from October 30, 2025 to January 29, 2026	For the period from November 12, 2025 to February 11, 2026	For the period from April 02, 2026 to June 23, 2026	For the period from May 14, 2026 to June 19, 2026	For the period from June 04, 2026 to June 30, 2026		
		Plan-II	Plan-III	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
		---------- Rupees in '000 ----------									
Income											
Capital loss on sale of investments - net		-	(1,441)	(1,722)	-	(349)	(1,226)	(1,124)	-	(5,862)	-
Income from Government securities		-	-	-	-	-	-	-	-	-	236,919
Income from Bai Muajjal		56,830	252,373	327,624	138,994	96,775	264,640	156,191	31,461	1,324,888	-
Profit on bank deposits		1,955	5,250	8,443	5,056	605	6,210	13,383	3,296	44,198	819
		58,785	256,182	334,345	144,050	97,031	269,624	168,450	34,757	1,363,224	237,738
Expenses											
Remuneration to the HBL Asset Management Limited - Management Company	8.1	110	510	653	956	645	2,102	583	119	5,678	5,839
Sindh Sales Tax on remuneration of HBL Asset Management Limited - Management Company	8.2	16	77	98	143	97	315	87	18	851	876
Remuneration of the Trustee	9.2	302	1,401	1,796	751	506	1,360	802	164	7,082	728
Sindh Sales Tax on remuneration of the Trustee	9.3	45	209	269	113	76	204	120	25	1,061	109
Annual fee to Securities and Exchange Commission of Pakistan	10	412	1,911	2,449	1,025	691	1,854	1,093	223	9,658	993
Auditors' remuneration	14	50	150	150	300	300	150	75	-	1,175	473
Shariah Advisory Fee		-	-	-	-	-	-	-	-	-	178
CDC Charges		-	-	-	-	-	-	-	-	-	8
Amortisation of preliminary expenses and flotation costs		110	110	110	-	110	110	110	-	660	887
Bank charges		2	2	2	50	50	2	2	-	110	6
Legal and professional charges		50	100	75	150	150	75	50	-	650	271
Printing, stationary and other charges		-	-	-	-	-	-	-	-	-	54
		1,097	4,470	5,602	3,488	2,625	6,172	2,922	549	26,925	10,422
Net income before taxation		57,688	251,712	328,743	140,562	94,406	263,452	165,528	34,208	1,336,299	227,316
Taxation	15	-	-	-	-	-	-	-	-	-	-
Net income after taxation		57,688	251,712	328,743	140,562	94,406	263,452	165,528	34,208	1,336,299	227,316
Allocation of net income for the year											
Net income for the year		57,688	251,712	328,743	140,562	94,406	263,452	165,528	34,208		227,316
Income already paid on redemption of units		(57,688)	(251,712)	(328,743)	(140,562)	(94,406)	(263,452)	(165,528)	(34,208)		(227,316)
		-	-	-	-	-	-	-	-		-
Accounting income available for distribution:											
Relating to capital gain		-	-	-	-	-	-	-	-		-
Excluding capital gain		-	-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-	-		-
		-	-	-	-	-	-	-	-		-

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended June 30, 2026

	For the period from December 11, 2025 to March 13, 2026	For the period from February 10, 2026 to May 12, 2026	For the period from February 23, 2026 to June 02, 2026	For the period from October 30, 2025 to January 29, 2026	For the period from November 12, 2025 to February 11, 2026	For the period from April 02, 2026 to June 23, 2026	For the period from May 14, 2026 to June 19, 2026	For the period from June 04, 2026 to June 30, 2026		
	Plan-II	Plan-III	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
	---------- Rupees in '000 ----------									
Net income for the year	57,688	251,712	328,743	140,562	94,406	263,452	165,528	34,208	1,336,299	227,316
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	57,688	251,712	328,743	140,562	94,406	263,452	165,528	34,208	1,336,299	227,316

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 21,693,639 units			
- Capital value (at net asset value per unit at the beginning of the year)	2,169,364	-	2,169,364
- Element of income	-	-	-
Total proceeds on issuance of units	2,169,364	-	2,169,364
Redemption of 21,693,639 units			
- Capital value (at net asset value per unit at the beginning of the year)	(2,169,364)	-	(2,169,364)
- Element of loss	-	(57,688)	(57,688)
Total payments on redemption of units	(2,169,364)	(57,688)	(2,227,052)
Total comprehensive income for the year	-	57,688	57,688
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 21,693,639 units			
- Capital value (at net asset value per unit at the beginning of the year)	2,169,364	-	2,169,364
- Element of income	-	-	-
Total proceeds on issuance of units	2,169,364	-	2,169,364
Redemption of 21,693,639 units			
- Capital value (at net asset value per unit at the beginning of the year)	(2,169,364)	-	(2,169,364)
- Element of loss	-	(57,688)	(57,688)
Total payments on redemption of units	(2,169,364)	(57,688)	(2,227,052)
Total comprehensive income for the year	-	57,688	57,688
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 120,421,587 units			
- Capital value (at net asset value per unit at the beginning of the year)	12,042,159	-	12,042,159
- Element of income	-	-	-
Total proceeds on issuance of units	12,042,159	-	12,042,159
Redemption of 120,421,587 units			
- Capital value (at net asset value per unit at the beginning of the year)	(12,042,159)	-	(12,042,159)
- Element of loss	-	(328,743)	(328,743)
Total payments on redemption of units	(12,042,159)	(328,743)	(12,370,902)
Total comprehensive income for the year	-	328,743	328,743
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 55,320,997 units			
- Capital value (at net asset value per unit at the beginning of the year)	5,532,100	-	5,532,100
- Element of income	-	-	-
Total proceeds on issuance of units	5,532,100	-	5,532,100
Redemption of 55,320,997 units			
- Capital value (at net asset value per unit at the beginning of the year)	(5,532,100)	-	(5,532,100)
- Element of loss	-	(140,562)	(140,562)
Total payments on redemption of units	(5,532,100)	(140,562)	(5,672,662)
Total comprehensive income for the year	-	140,562	140,562
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 36,894,911 units			
- Capital value (at net asset value per unit at the beginning of the year)	3,689,491	-	3,689,491
- Element of income	-	-	-
Total proceeds on issuance of units	3,689,491	-	3,689,491
Redemption of 36,894,911 units			
- Capital value (at net asset value per unit at the beginning of the year)	(3,689,491)	-	(3,689,491)
- Element of loss	-	(94,406)	(94,406)
Total payments on redemption of units	(3,689,491)	(94,406)	(3,783,897)
Total comprehensive income for the year	-	94,406	94,406
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 112,096,413 units			
- Capital value (at net asset value per unit at the beginning of the year)	11,209,641	-	11,209,641
- Element of income	-	-	-
Total proceeds on issuance of units	11,209,641	-	11,209,641
Redemption of 112,096,413 units			
- Capital value (at net asset value per unit at the beginning of the year)	(11,209,641)	-	(11,209,641)
- Element of loss	-	(263,452)	(263,452)
Total payments on redemption of units	(11,209,641)	(263,452)	(11,473,093)
Total comprehensive income for the year	-	263,452	263,452
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 150,801,106 units			
- Capital value (at net asset value per unit at the beginning of the year)	15,080,111	-	15,080,111
- Element of income	-	-	-
Total proceeds on issuance of units	15,080,111	-	15,080,111
Redemption of 150,801,106 units			
- Capital value (at net asset value per unit at the beginning of the year)	(15,080,111)	-	(15,080,111)
- Element of loss	-	(165,528)	(165,528)
Total payments on redemption of units	(15,080,111)	(165,528)	(15,245,639)
Total comprehensive income for the year	-	165,528	165,528
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	For the year ended June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the year	-	-	-
Issuance of 43,073,146 units			
- Capital value (at net asset value per unit at the beginning of the year)	4,307,315	-	4,307,315
- Element of income	-	-	-
Total proceeds on issuance of units	4,307,315	-	4,307,315
Redemption of 43,073,146 units			
- Capital value (at net asset value per unit at the beginning of the year)	(4,307,315)	-	(4,307,315)
- Element of loss	-	(34,208)	(34,208)
Total payments on redemption of units	(4,307,315)	(34,208)	(4,341,523)
Total comprehensive income for the year	-	34,208	34,208
Distribution during the year	-	-	-
Net assets at the end of the year	-	-	-
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		-	
- Excluding capital gains		-	
		-	
Undistributed income carried forward		-	
Undistributed income carried forward comprising of:			
- Realised income		-	
- Unrealised income		-	
		-	
		(Rupees)	
Net asset value per unit at the beginning of the year		100.0000	
Net asset value per unit at the end of the year		-	

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL ISLAMIC FIXED TERM FUND
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
For The Year Ended June 30, 2026

	Note	For the period from December 11, 2025 to March 13, 2026	For the period from February 10, 2026 to May 12, 2026	For the period from February 23, 2026 to June 02, 2026	For the period from October 30, 2025 to January 29, 2026	For the period from November 12, 2025 to February 11, 2026	For the period from April 02, 2026 to June 23, 2026	For the period from May 14, 2026 to June 19, 2026	For the period from June 04, 2026 to June 30, 2026		
		Plan-II	Plan-III	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
		Rupees in '000									
CASH FLOWS FROM OPERATING ACTIVITIES											
Net income for the year before taxation		57,688	251,712	328,743	140,562	94,406	263,452	165,528	34,208	1,336,299	227,316
Adjustments for:											
Income from Bai Muajjal		(56,830)	(252,373)	(327,624)	(138,994)	(96,775)	(264,640)	(156,191)	(31,461)	(1,324,888)	(236,919)
Profit on bank deposits		(1,955)	(5,250)	(8,443)	(5,056)	(605)	(6,210)	(13,383)	(3,296)	(44,198)	(819)
		(1,097)	(5,911)	(7,324)	(3,488)	(2,974)	(7,398)	(4,046)	(549)	(32,787)	(10,422)
(Increase)/Decrease in assets											
Investments	6	-	-	-	-	-	-	-	-	-	1,900,000
CDC security deposit		-	-	-	-	-	-	-	-	-	(100)
Other receivables		(189)	-	-	-	-	-	-	(214)	(403)	-
		(189)	-	-	-	-	-	-	(214)	(403)	1,899,900
Increase/(Decrease) in liabilities											
Payable to the Management Company	8	150	110	140	-	110	732	443	142	1,827	(58)
Payable to the Trustee	9	76	-	52	-	-	514	514	189	1,345	(182)
Payable to Securities and Exchange Commission of Pakistan	10	-	-	26	-	-	510	565	223	1,324	(102)
Shariah fee payable		-	-	-	-	-	-	-	-	-	(64)
Legal Fee payable		50	100	75	150	150	75	50	-	650	150
Accrued expenses and other liabilities	11	802	153,678	73,397	991	2,010	327,151	34,485	718,129	1,310,643	(10,983)
		1,078	153,888	73,690	1,141	2,270	328,982	36,057	718,683	1,315,789	(11,239)
Cash used in operating activities		(208)	147,977	66,366	(2,347)	(704)	321,584	32,011	717,920	1,282,599	1,878,239
Income received from Bai Muajjal		56,830	252,373	327,624	138,994	96,775	264,640	156,191	31,461	1,324,888	-
Profit / mark-up received on bank deposits		1,955	5,250	2,760	5,056	-	4,594	5,581	-	25,196	819
		58,785	257,623	330,384	144,050	96,775	269,234	161,772	31,461	1,350,084	819
Net cash used in operating activities		58,577	405,600	396,750	141,703	96,071	590,818	193,783	749,381	2,632,683	1,879,058
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts from issue of units		2,169,364	10,166,465	12,042,159	5,532,100	3,689,491	11,209,641	15,080,111	4,307,315	64,196,646	-
Transfer of unit holder's investment in another fund		(2,227,052)	(10,418,177)	(12,370,902)	(5,672,662)	(3,783,900)	(11,473,093)	(15,245,639)	(4,341,523)	(65,532,948)	(1,896,305)
Net cash generated from financing activities		(57,688)	(251,712)	(328,743)	(140,562)	(94,409)	(263,452)	(165,528)	(34,208)	(1,336,302)	(1,896,305)
Net increase in cash and cash equivalents		889	153,888	68,007	1,141	1,662	327,366	28,255	715,173	1,296,381	(16,958)
Cash and cash equivalents at beginning of the year		-	-	-	-	-	-	-	-	-	18,556
Cash and cash equivalents at end of the year	5	889	153,888	68,007	1,141	1,662	327,366	28,255	715,173	1,296,381	1,598

The annexed notes from 1 to 26 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Islamic Fixed Term Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on October 25, 2023 and registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBLIFTF/2023-92 dated September 08, 2023.

1.2 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.

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

1.4 During the year, HBL Islamic Fixed Term Fund Plan-II matured on March 13, 2026, Plan-III on May 12, 2026, Plan-IV on June 02, 2026, Plan-V on January 29, 2026, Plan-VI on February 11, 2026, Plan-VII on June 23, 2026, Plan-VIII on June 19, 2026 and Plan-IX on June 30, 2026. As at June 30, 2026, there were no active Plans under the Fund.

1.5 The Fund has been categorised as an Open-End Shariah Compliant Fixed Rate/Return scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

1.6 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.

1.7 VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 31, 2025 while the fund is currently not rated.

1.8 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 as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017, along with the 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, Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications 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 Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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 ('Rupees' or 'Rs'), which is the Fund's functional currency.

2.4 Use of judgments and estimates

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, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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, 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 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:

	Note
a) Classification and valuation of investment	4.2
c) Impairment of investment	4.2.4

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, 2026

The following standards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

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 Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026

	Effective date (annual periods beginning on or after)
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	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 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

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 balances maintained with banks. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

4.2.2 Financial assets

There are three principal classification categories for financial assets:

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

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses, gain / loss on derecognition and modification and impairment charge and reversals are recognised in income statement.

Financial assets at FVOCI

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

Financial assets at FVPL

All other financial assets are classified as FVPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Fund's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.
- Held-to-collect and sell business model: This includes Government Securities and Sukuks, if any. These financial assets are held to collect contractual cash flow and sell the financial assets.
- Other business model: This includes Government Securities and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.3 Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) and measure subsequently using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.2.4 Impairment of financial assets

The Fund at each reporting date assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.5Derecognition

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. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

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.

4.2.6Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

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.

Basis of valuation of government 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 (PSX) are valued at rates quoted on PSX.

Basis of valuation of spread transactions

Spread transactions are valued at their fair value determined using quoted market prices and rates prevailing at the reporting date. The valuation reflects the difference between the contracted purchase and sale prices of the underlying securities, adjusted for accrued income/expenses where applicable.

4.2.7Regular way contracts

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

4.2.8Offsetting 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 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net income / (loss) for the year of the Fund by the weighted average number of units outstanding during the year. Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.4 Provisions

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

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

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

4.6 Proposed distributions

Distribution to the unit holders are recognised upon declaration and approval 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.

Distributions declared subsequent to 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.

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.7 Issue and redemption of units

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

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company 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.

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

Element of income represents the difference between Net Assets Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

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 same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.9 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 in circulation as at the year end.

4.10 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from Government securities, and investment in debt securities are recognized using the effective interest rate method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recognized in the Income Statement in the period in which they arise.
- Profit on balances with banks is recognized on time proportion basis.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, trustee fee and annual fee of the SECP are recognised in the Income Statement when incurred.

4.13 Transactions with related parties / connected persons

Transactions with realted 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.

		2026									
		Plan-II	Plan-III	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
5 Balances with banks	**Note**	----------Rupees in '000' ----------									
Local Currency											
In savings accounts	5.1	889	153,888	68,007	1,141	1,662	327,366	28,255	715,173	1,296,381	1,598

5.1 These accounts carry profit rates ranging from 8.75% to 11.13% (2025: 6% to 18.75%) per annum of HBL Islamic Fixed Term Fund Plan-II to Plan-IX.

		2026									
		Plan-II	Plan-III	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
6 INVESTMENTS	**Note**	----------Rupees in '000' ----------									
At amortised cost	6.1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
6.1 At amorised cost											
Bai Muajjal	6.1.1	-	-	-	-	-	-	-	-	-	-
Government securities											
GoP Ijara sukuk	6.1.1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

6.1.1At amortised cost - Bai Muajjal

Plan	Investee Company	Issue date	Maturity Date	Profit Rate	As at July 1, 2025	Placemant made during the year	Income Accrued	Matured	As at June 30, 2026	Percentage of total net assets	Percentage of total investments
					(Rupees in '000)						
Plan II	Askari Bank Limited	12-Dec-25	12-Mar-26	10.82%	-	2,070,160	55,231	2,125,391	-	0%	0%
Plan II	Pak Brunei Investment Company	14-Jan-26	12-Mar-26	10.45%	-	97,995	1,599	99,594	-	0%	0%
Plan III	Askari Bank Limited	11-Feb-26	11-May-26	10.25%	-	9,145,576	228,577	9,374,152	-	0%	0%
Plan III	United Bank Limited	17-Feb-26	11-May-26	10.32%	-	1,013,994	23,796	1,037,789	-	0%	0%
Plan IV	Askari Bank Limited	24-Feb-26	1-Jun-26	10.35%	-	4,957,860	136,368	5,094,228	-	0%	0%
Plan IV	Askari Bank Limited	25-Feb-26	1-Jun-26	10.35%	-	7,025,808	191,256	7,217,064	-	0%	0%
Plan V	Askari Bank Limited	31-Oct-25	28-Jan-26	10.80%	-	5,297,781	138,994	5,436,775	-	0%	0%
Plan VI	Askari Bank Limited	13-Nov-25	10-Feb-26	10.85%	-	3,657,939	96,775	3,754,714	-	0%	0%
Plan VII	Pak Oman Investment Company Limited	3-Apr-26	22-Jun-26	11.00%	-	3,493,918	84,237	3,578,155	-	0%	0%
Plan VII	Askari Bank Limited	3-Apr-26	22-Jun-26	11.00%	-	7,482,611	180,403	7,663,013	-	0%	0%
Plan VIII	United Bank Limited	15-May-26	18-Jun-26	11.46%	-	12,039,086	128,518	12,167,604	-	0%	0%
Plan VIII	United Bank Limited	18-May-26	18-Jun-26	11.46%	-	1,003,705	9,769	1,013,474	-	0%	0%
Plan VIII	United Bank Limited	21-May-26	18-Jun-26	11.46%	-	2,036,544	17,904	2,054,448	-	0%	0%
Plan IX	Askari Bank Limited	5-Jun-26	29-Jun-26	11.50%	-	3,171,595	23,982	3,195,578	-	0%	0%
Plan IX	Askari Bank Limited	8-Jun-26	29-Jun-26	11.50%	-	1,130,265	7,478	1,137,743	-	0%	0%
Total - as at June 30, 2026					**-**	**63,624,835**	**1,324,885**	**64,949,721**	**-**	**0.00%**	**0.00%**

6.1.1GOP Ijara sukuk certificates

Issue Details	Issue date	Maturity date	Face value				Carrying value as at June 30, 2025	Market value as at June 30, 2025	Un-realised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
			As at July 1, 2024	Purchases during the period	Sales / matured during the period	As at June 30, 2025					
			(Rupees in '000)								
GOPIS 12M 24-01-2024	29-Mar-24	28-Mar-25	1,900,000.00	-	1,900,000	-	-	-	-	0%	0.00%
Total - as at June 30, 2024			**1,900,000**	**-**	**1,900,000**	**-**	**-**	**-**	**-**	**0.00%**	**0.00%**

		2026									
		Plan-II	Plan-IIII	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
7	**PROFIT RECEIVABLE** **Note**	Rupees in '000'									
	Bank deposit	-	-	5,683	-	605	1,616	7,802	3,296	19,002	-
		-	-	5,683	-	605	1,616	7,802	3,296	19,002	-

7.1 This includes Rs. 19.003 million (2025: 0.288 million) receivable from Habib Bank Limited, a related party.

8 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	Plan-II	Plan-IIII	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
		---------- Rupees in '000' ----------									
Remuneration payable to the management company	8.1	24	-	7	-	-	578	301	119	1,029	-
Sindh sales tax on management company's remuneration	8.2	4	-	1	-	-	87	32	18	138	-
Formation cost payable		110	110	110	-	110	110	110	-	660	1,042
		138	110	118	-	110	775	443	137	1,830	1,042

8.1 As per the Regulation 61 of the NBFC Regulations, Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the offering document is 1.50% per annum of average annual net assets. During the period, the fee is being charged at the rate (0.02%-0.85%) of the average annual net assets. The fee is payable monthly in arrears.

8.2 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Management Company.

9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	Plan-II	Plan-IIII	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
		---------- Rupees in '000' ----------									
Remuneration payable to Trustee	9.1 & 9.2	66	-	19	-	-	374	414	164	1,037	-
Sindh Sales Tax on remuneration of the Trustee	9.3	10	-	3	-	-	56	100	25	308	-
		76	-	22	-	-	430	514	189	1,231	-

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 tari? speci?ed 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 remunaration 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 levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Trustee.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a trustee to a collective investment scheme classified as an Income Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged the SECP fee at the rate of 0.075% (2025: 0.075%) of net assets during the current year.

		2026									
11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	Plan-II	Plan-IIII	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
		---------- Rupees in '000' ----------									
Withholding tax payable		41	277	352	196	74	382	177	31	1,530	58
Capital gain tax payable		138	396	72,894	411	667	12,794	31,607	5,748	124,655	-
Auditors' remuneration		50	150	150	300	300	150	75	-	1,175	309
Printing charges		-	-	-	-	-	-	-	-	-	108
Payable against conversion of units		387	152,852	-	-	916	313,823	2,623	712,349	1,182,950	-
Others		198	3	53	84	50	43	3	1	440	31
		814	153,678	73,449	991	2,007	327,192	34,485	718,129	1,310,750	506

13 NUMBER OF UNITS IN ISSUE

	Number of Units									
Units issued	21,693,639	101,664,648	120,421,587	55,320,997	36,894,911	112,096,413	150,801,106	43,073,146	641,966,446	16,614,842
Less: Units redeemed	(21,693,639)	(101,664,648)	(120,421,587)	(55,320,997)	(36,894,911)	(112,096,413)	(150,801,106)	(43,073,146)	(641,966,446)	(16,614,842)
Total units in issue at the end of the year	-	-	-	-	-	-	-	-	-	-

14 AUDITORS' REMUNERATION

Annual audit fee	43	127	127	254	254	127	64	-	996	425
Out of pocket expenses	4	13	13	25	25	13	6	-	100	47
Sindh Sales Tax	3	10	10	20	20	10	5	-	80	-
	50	150	150	300	300	150	75	-	1,176	472

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 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 as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current year as the Fund has distributed required minimum percentage of income earned by the Fund for the year ending 30 June 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	Rupees in '000			
Financial assets				
Plan-II				
Bank balances	-	-	889	889
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	-	-
Other receivables	-	-	189	189
	-	-	1,078	1,078
Plan-III				
Bank balances	-	-	153,888	153,888
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	-	-
Other receivables	-	-	-	-
	-	-	153,888	153,888

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Plan-IV				
Bank balances	-	-	68,007	68,007
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	5,683	5,683
Other receivables	-	-	-	-
	-	-	73,690	73,690
Plan-V				
Bank balances	-	-	1,141	1,141
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	-	-
Other receivables	-	-	-	-
	-	-	1,141	1,141
Plan-VI				
Bank balances	-	-	1,662	1,662
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	605	605
Other receivables	-	-	-	-
	-	-	2,267	2,267
Plan-VII				
Bank balances	-	-	327,366	327,366
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	1,616	1,616
Other receivables	-	-	-	-
	-	-	328,982	328,982
Plan-VIII				
Bank balances	-	-	28,255	28,255
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	7,802	7,802
Other receivables	-	-	-	-
	-	-	36,057	36,057

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Plan-IX				
Bank balances	-	-	715,173	715,173
Investments				
Bai Muajjal	-	-	-	-
Profit receivable	-	-	3,296	3,296
Other receivables	-	-	214	214
	-	-	718,683	718,683

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
Financial liabilities	---------- Rupees in '000 ----------			
Plan-II				
Payable to the HBL Asset Management Limited	-	-	134	134
Payable to the Central Depositrory Company	-	-	66	66
Legal Fee Payable	-	-	50	50
Accrued expenses and other liabilities	-	-	623	623
	-	-	873	873
Plan-III				
Payable to the HBL Asset Management Limited	-	-	110	110
Payable to the Central Depositrory Company	-	-	-	-
Legal Fee Payable	-		100	100
Accrued expenses and other liabilities	-	-	153,005	153,005
	-	-	153,215	153,215
Plan-IV				
Payable to the HBL Asset Management Limited	-	-	117	117
Payable to the Central Depositrory Company	-	-	19	19
Legal Fee Payable	-		75	75
Accrued expenses and other liabilities	-	-	151	151
	-	-	362	362
Plan-V				
Payable to the HBL Asset Management Limited	-	-	-	-
Payable to the Central Depositrory Company	-	-	-	-
Legal Fee Payable	-		150	150
Accrued expenses and other liabilities	-	-	384	384
	-	-	534	534

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Plan-VI				
Payable to the HBL Asset Management Limited	-	-	110	110
Payable to the Central Depositrory Company	-	-	-	-
Legal Fee Payable	-		150	150
Accrued expenses and other liabilities	-	-	1,266	1,266
	-	-	1,526	1,526
Plan-VII				
Payable to the HBL Asset Management Limited	-	-	688	688
Payable to the Central Depositrory Company	-	-	374	374
Legal Fee Payable	-		75	75
Accrued expenses and other liabilities	-	-	313,975	313,975
	-	-	315,112	315,112
Plan-VIII				
Payable to the HBL Asset Management Limited	-	-	411	411
Payable to the Central Depositrory Company	-	-	414	414
Legal Fee Payable	-		50	50
Accrued expenses and other liabilities	-	-	2,701	2,701
	-	-	3,576	3,576
Plan-IX				
Payable to the HBL Asset Management Limited	-	-	119	119
Payable to the Central Depositrory Company	-	-	164	164
Legal Fee Payable	-		-	-
Accrued expenses and other liabilities	-	-	712,350	712,350
	-	-	712,633	712,633

	2025			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Bank balances	-	-	1,598	1,598
Investments				
GoP Ijara sukuk	-	-	-	-
Profit receivable	-	-	-	-
Other receivables	-	-	100	100
	-	-	1,698	1,698

	2025			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial liabilities				
Payable to the Hbl Asset Management Limited -		-	1,042	1,042
Payable to the Central Depositrory Company -		-	-	-
Legal Fee Payable			150	150
Accrued expenses and other liabilities	-	-	506	506
	-	-	1,698	1,698

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

17.1 Connected persons/Related parties include HBL Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, 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, any person or company 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 and key management personnel of the Management Company.

17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at 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 NBFC Regulations which are publicly available documents.

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

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

	2026									
	Plan-II	Plan-IIII	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
17.4.1 Transactions during the period	----------Rupees in '000 ----------									
HBL Asset Management Limited - Management Company										
Remuneration of Management Company	110	510	653	956	645	2102	583	119	5,678	5,839
Sindh Sales Tax on remuneration of the Management company	16	77	98	143	97	315	87	18	851	876
Central Depository Company of Pakistan Limited - Trustee										
Remuneration	-	-	-	-	-	-	-	-	-	728
Sindh Sales Tax on remuneration of the Trustee	-	-	-	-	-	-	-	-	-	109
Pakistan Mortgage Refinance Company Limited Credit Guarantee Trust Scheme for Low										
Redemption of units Nil (2025: 16,614,842)	-	-	-	-	-	-	-	-	-	1,896,305

	2026									
	Plan-II	Plan-IIII	Plan-IV	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Plan-IX	Total	2025
	----------Rupees in '000 ----------									
Related Party Executive										
Issueance of units 471,045	-	-	47,104	-	-	-	-	-	47,104	-
Redemption of units 471,045	-	-	(47,653)	-	-	-	-	-	(47,653)	-
Issueance of units 384,463	-	-	-	-	-	38,446	-	-	38,446	-
Redemption of units 384,463	-	-	-	-	-	(39,228)	-	-	(39,228)	-
Connected Party more then 10%										
Crescent Educational Trust										
Issueance of units 30,000	3,000	-	-	-	-	-	-	-	3,000	-
Redemption of units 30,000	(3,080)	-	-	-	-	-	-	-	(3,080)	-
Canteen Store Department										
Issueance of units 2,570,064	-	-	-	-	-	-	-	257,006	257,006	-
Redemption of units 2,570,064	-	-	-	-	-	-	-	(259,117)	(259,117)	-
Feroze 1888 Mills Limited Employees Provident Fund										
Issueance of units 2,366,503	-	-	-	-	-	-	-	236,650	236,650	-
Redemption of units 2,366,503	-	-	-	-	-	-	-	(238,593)	(238,593)	-
17.4.2 Balance outstanding as at the year end										
HBL Asset Management Limited - Management Company										
Remuneration payable to the Management Company	24	-	7	-	-	578	301	119	1,029	-
Sindh Sales Tax payable on Management Company's remuneration	4	-	1	-	-	87	32	18	141	-
Formation cost payable	110	110	110	-	110	110	110	-	660	1,041
Central Depository Company of Pakistan Limited - Trustee										
Trustee fee payable	66	-	19	-	-	374	414	164	1,037	-
Sindh Sales Tax payable on Trustee Remuneration	10	-	3	-	-	56	100	25	194	-

18 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.

18.1 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.

18.2 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.

18.3 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 8.75% to 11.13% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs. 0.0089 million, 1.5389 million, 0.6801 million, 0.0114 million, 0.0166 million, 3.2737 million, 0.2826 million and 7.1517 million (2025: 0.016 million) of plan 2 to 9 respectively.

b) Fair value interest rate risk

The Fund's investment portfolio currently comprises Bai Muajjal transactions, which provide a fixed and predetermined profit margin. Accordingly, the Fund's investments are not affected by changes in market profit rates and, therefore, are not exposed to fair value profit rate risk.

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

	As at June 30, 2026				
		Exposed to yield / interest rate risk			
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
Plan IX	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	8.75 - 11.13	28,255	-	-	-	28,255
Investments						
Bai Muajjal		-	-	-	-	-
Profit receivable		-	-	-	7,802	7,802
Other receivables					-	-
Sub total		28,255	-	-	7,802	36,057

	As at June 30, 2026				
	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				
Financial liabilities						
Payable to the Management Company		-	-	-	119	119
Payable to the Trustee		-	-	-	164	164
Legal Fee payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	712,350	712,350
Sub total		-	-	-	712,633	712,633
On-balance sheet gap (a)		28,255	-	-	(704,831)	(676,576)
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		28,255	-	-	(704,831)	(676,576)
Cumulative interest rate sensitivity gap		28,255	-	-		

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				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	6.00 - 18.75	-	1,598	-	-	1,598
Investments						
GoP Ijara sukuk	20.18	-	-	-	-	-
Profit receivable		-	-	-	-	-
CDC security deposit		-	-	-	100	100
Sub total		-	1,598	-	100	1,698
Financial liabilities						
Payable to the Management Company		-	-	-	1,042	1,042
Legal Fee payable		-	-	-	150	150
Accrued expenses and other liabilities		-	-	-	506	506
Sub total		-	-	-	1,698	1,698
On-balance sheet gap (a)		-	1,598	-	(1,598)	-
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	1,598	-	(1,598)	-
Cumulative interest rate sensitivity gap		-	1,598	-		

18.4 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.

18.5 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.

18.5.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2026.

Name of Banks	Balances held as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	Rupees in '000		
Plan-II			
Habib Bank Limited	889	A-1+	VIS
Plan-III			
Habib Bank Limited	153,888	A-1+	VIS
Plan-IV			
Habib Bank Limited	68,007	A-1+	VIS
Plan-V			
Habib Bank Limited	1,141	A-1+	VIS
Plan-VI			
Habib Bank Limited	1,662	A-1+	VIS
Plan-VII			
Habib Bank Limited	327,366	A-1+	VIS
Plan-VIII			
Habib Bank Limited	28,255	A-1+	VIS
Plan-IX			
Habib Bank Limited	715,173	A-1+	VIS

Name of Banks	Balances held as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	Rupees in '000		
Plan-II			
Habib Bank Limited	1,598	A-1+	VIS

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

Rating by rating category	2026	2025
	-- (%) --	
A-1+	100	100

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect counterparties or groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances. There is no concentration of credit risk as at reporting date.

18.6 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 redepmtions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow. The borrowing, however, shall not be resorted to, except for meeting redemption requests. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current period, no borrowings were made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current period.

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

Particulars	--------- As at June 30, 20 26 ---------			
	Upto three months	More than three months and upto one year	More than one year	Total
	--------- Rupees in '000 ---------			
Plan - II				
Financial liabilities				
Payable to the HBL Asset Management Limited	134	-	-	134
Payable to the Central Depository Company	66	-	-	66
Legal Fee Payable	50	-	-	50
Accrued expenses and other liabilities	623	-	-	623
	873	-	-	873

Particulars	--------- As at June 30, 20 26 ---------			
	Upto three months	More than three months and upto one year	More than one year	Total
	--------- Rupees in '000 ---------			
Plan - III				
Financial liabilities				
Payable to the HBL Asset Management Limited	110	-	-	110
Payable to the Central Depository Company	-	-	-	-
Legal Fee Payable	100	-	-	100
Accrued expenses and other liabilities	153,005	-	-	153,005
	153,215	-	-	153,215
Plan - IV				
Financial liabilities				
Payable to the HBL Asset Management Limited	117	-	-	117
Payable to the Central Depository Company	19	-	-	19
Legal Fee Payable	75	-	-	75
Accrued expenses and other liabilities	151	-	-	151
	362	-	-	362
Plan - V				
Financial liabilities				
Payable to the HBL Asset Management Limited	-	-	-	-
Payable to the Central Depository Company	-	-	-	-
Legal Fee Payable	150	-	-	150
Accrued expenses and other liabilities	384	-	-	384
	534	-	-	534
Plan - VI				
Financial liabilities				
Payable to the HBL Asset Management Limited	110	-	-	110
Payable to the Central Depository Company	-	-	-	-
Legal Fee Payable	150	-	-	150
Accrued expenses and other liabilities	1,266	-	-	1,266
	1,526	-	-	1,526
Plan - VII				
Financial liabilities				
Payable to the HBL Asset Management Limited	688	-	-	688
Payable to the Central Depository Company	374	-	-	374
Legal Fee Payable	75	-	-	75
Accrued expenses and other liabilities	313,975	-	-	313,975
	315,112	-	-	315,112

Particulars	--------- As at June 30, 2026 ---------			
	Upto three months	More than three months and upto one year	More than one year	Total
	--------- Rupees in '000 ---------			
Plan - VIII				
Financial liabilities				
Payable to the HBL Asset Management Limited	411	-	-	411
Payable to the Central Depository Company	414	-	-	414
Legal Fee Payable	50	-	-	50
Accrued expenses and other liabilities	2,701	-	-	2,701
	3,576	-	-	3,576
Plan - IX				
Financial liabilities				
Payable to the HBL Asset Management Limited	119	-	-	119
Payable to the Central Depository Company	164	-	-	164
Legal Fee Payable	-	-	-	-
Accrued expenses and other liabilities	712,350	-	-	712,350
	712,633	-	-	712,633

Particulars	--------- As at June 30, 2025 ---------			
	Upto three months	More than three months and upto one year	More than one year	Total
	--------- Rupees in '000 ---------			
Financial liabilities				
Payable to the HBL Asset Management Limited	-	1,042	-	1,042
Payable to the Central Depository Company	-	-	-	-
Legal Fee Payable	-	150		150
Accrued expenses and other liabilities	-	506	-	506
	-	1,698	-	1,698

19 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly as the Fund is subject to early redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

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

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

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

There were no brokers during the period ended June 30, 2026.

21 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. no.	Name	Designation	Qualifications	Experience in years
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2.	Muhammad Ali Bhabha	Chief Investment Officer	CFA, FRM, MBA	29+
3.	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
4.	Amin Mohammad	Head of Risk	MBA	32+
5.	Nida Siddiqui	Assistant Fund Manager	MBA	1
6.	Hammad Ali Abbas	Senior Fund Manager	MSC	8+

22 PATTERN OF UNITHOLDING

Plan-II

The Fund has redeemed all of its units held on March 13, 2026, after which there has been no unit holder left in the Plan.

Plan-III

The Fund has redeemed all of its units held on May 12, 2026, after which there has been no unit holder left in the Plan.

Plan-IV

The Fund has redeemed all of its units held on June 02, 2026, after which there has been no unit holder left in the Plan.

Plan-V

The Fund has redeemed all of its units held on January 29, 2026, after which there has been no unit holder left in the Plan.

Plan-VI

The Fund has redeemed all of its units held on February 11, 2026, after which there has been no unit holder left in the Plan.

Plan-VII

The Fund has redeemed all of its units held on June 23, 2026, after which there has been no unit holder left in the Plan.

Plan-VIII

The Fund has redeemed all of its units held on June 19, 2026, after which there has been no unit holder left in the Plan.

Plan-IX

The Fund has redeemed all of its units held on June 30, 2026, after which there has been no unit holder left in the Plan.

Category	As at June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Trust	-	-	-	0.00%
	-	-	-	0.00%

23 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2025 , October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026, June 23, 2026. 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	Mr. Mir Adil Rashid	9	9	-	-
3	Mr. Khalid Malik	9	9	-	-
4	Ms. Sheeza Ahmed	9	9	-	-
5	Ms. Ava A. Cowasjee	9	8	1	-
6	Mr. Tariq Masaud	9	8	1	October 30, 2025
7	Mr. Abrar Ahmed Mir	9	4	5	October 20, 2025, April 29, 2026, February 25, 2026, June 04, 2026, June 23, 2026.
8	Mr. Rayomond H. Kotwal	6	5	1	December 22, 2025
9	Mr. Habib Yousuf Habib	3	3	-	-
10	Ms. Sahar Awan	3	3	-	-
11	Mr. Irfan Ahmed Meer	2	2	-	-

24 TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 8.1 of these financial statements.

Plan	TER including levy	Levy
II	0.25%	0.08%
III	0.18%	0.09%
IV	0.17%	0.08%
V	0.25%	0.09%
VI	0.29%	0.10%
VII	0.25%	0.10%
VIII	0.20%	0.09%
IX	0.21%	0.09%

25 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

26 GENERAL

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

26.2 The HBL Islamic Fixed Term Fund Plan-II , III , IV, V, VI , VII , VIII and IX have been launched in current year. Therefore, no comparative figures have been presented for these plans.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

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HBL Corporate Center,
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Islamabad
Tel: 051-2821183
Fax: 051-2822206



Islamic Regular Income Fund

FUND INFORMATION

NAME OF FUND	HBL Islamic Regular Income Fund
NAME OF AUDITOR	BDO Ebrahim & Co. Chartered Accountant
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited (CDC)
NAME OF SHARIAH ADVISOR	Al - Hilal Shariah Advisors (Pvt.) Limited
BANKERS	Habib Bank Limited

FUND MANAGER'S REPORT - HBL ISLAMIC REGULAR INCOME FUND

As at June 30, 2026

Type and Category of Fund

Open end Islamic Money Market Fund

Investment Objective and Accomplishment of Objective

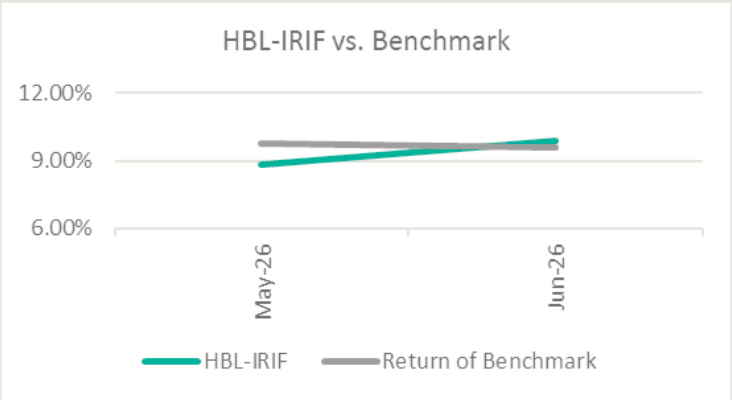
The investment objective of the Fund is to seek high liquidity, competitive return and maximum possible preservation of Capital for investors by investing in low risk Shariah Compliant securities. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is average 3 Months average deposit rates of 3 AA rated Islamic Banks or Islamic Windows of Conventional Bank as selected by MUFAP.

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

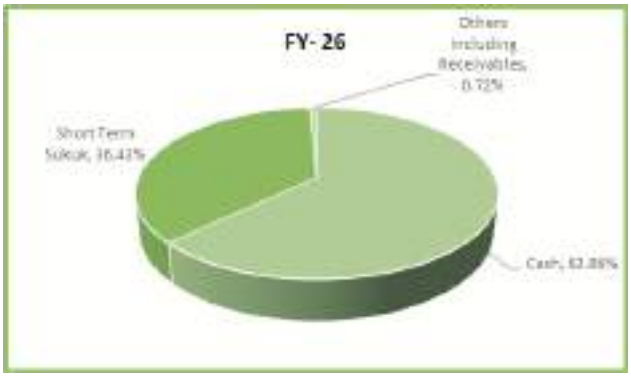
Month	HBL-IRIF	Benchmark
Jun-26	9.86%	9.60%
May-26	8.81%	9.74%



Strategies and Policies employed during the Year
As on June 30, 2026 investments in Short Term Sukuks and placement in Daily Product Account were 36.43% and 62.86% of total assets, respectively.

The fund yielded a return of 9.43% against benchmark of 9.68% since its launch on the 7th of May 2026.

Asset Allocation



Fund Performance
During the period under review, the Fund earned a total and net income of Rs. 3.02 million and Rs. 2.53 million respectively. The Net Asset Value (NAV) of the Fund was Rs. 100.0000 per unit as on June 30, 2026 (after incorporating dividend of Rs. 1.3852 per unit), thereby giving a return of 9.43% during the year, against the benchmark return of 9.68%. The size of Fund was Rs. 0.18 billion as on June 30, 2026.

Money Market Review
During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution
The Fund has distributed cash dividend up-to Rs. 1.3852 per unit for the year ended June 30, 2026.

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	11	236
101 - 500	4	907
501 - 1,000	1	503
1,001 - 10,000	4	9,835
10,001 - 100,000	5	111,844
100,001 - 500,000	3	714,105
500,001 - 1,000,000	1	943,299
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**29**	**1,780,729**

Unit Splits
There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders
Investments are subject to market risk.

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

PERFORMANCE TABLE - HBL ISLAMIC REGULAR INCOME FUND

As at June 30, 2026

	2026
Net assets at the period end(Rs'000)	178,073
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES	100.0000
Redemption	100.0000
Offer	
OFFER / REDEMPTION DURING THE PERIOD - RUPEES	100.0000
Highest offer price per unit	100.0000
Lowest offer price per unit	100.0000
Highest redemption price per unit	100.0000
Lowest redemption price per unit	
RETURN (%)	
Total return	9.43%
Income distribution	9.36%
Capital growth	0.07%
DISTRIBUTION	
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	
Interim dividend distribution (Rs)	1.39
Date of Income Distribution	Daily dividend
Total dividend distribution for the year/ period (Rs)	1.39
AVERAGE RETURNS (%)	
Average annual return 1 year	9.43%
Average annual return 2 year	-
Average annual return 3 year	-
Weighted average portfolio during (No. of days)	65
PORTFOLIO COMPOSITION - (%)	
Percentage of Total Assets as at 30 June:	
Bank Balances	62.86%
TFCs/Sukuks	36.42%
PIBs	0.00%
Government Securities	0.00%
Placement with Banks and DFIs	0.00%
MTS / Spread Transaction	0.00%
Commercial Paper	0.00%
Others Including receivables	0.72%

Note:
The Launch date of the Fund is May 08, 2026

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahrae-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ISLAMIC REGULAR INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Islamic Regular 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 period from May 8, 2026 to June 30, 2026 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 Securities & Exchange Commission of Pakistan 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 28, 2026

HBL ASSET MANAGEMENT
ایسیٹ مینجمنٹ

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Regular Income Fund (the fund) has fully complied with the Shariah Principles specified in Trust Deed and in the guideline issued by the Shariah Advisor for its operations, investment and placements made during the year ended June 30, 2026. This has been duly confirmed by the Shariah Advisor of the Fund.

Mir Adil Rashid
Chief Executive Officer
Dated: August 27, 2026

Al-Hilal
Shariah Advisors

September 23, 2026

بسم الله الرحمن الرحيم

AHSA/SSR/HBLAMC/HBLIRIF/639

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

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

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

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

Keeping in view the above; we certify that:

We have reviewed all the investment and operational activities of the fund including all transactions and found them to comply with the Shariah guidelines. On the basis of information provided by the management company, all operations of the fund for the year ended June 30, 2026 comply with the provided Shariah guidelines. Therefore, it is resolved that investments in **HBL Islamic Regular Income Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Regular Income Fund did not book any charity amount.

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

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

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

Mufti Irshad Ahmad Aijaz
Member Shariah Council

Faraz Younus Bandukda, CFA
Chief Executive

Al-Hilal Shariah Advisors (Pvt) Limited
Suite 607, 6th Floor, Horizon Towers, Com 2/6, Khayaban e-Saadi, Block 03, Clifton, Karachi
Tel: +92-21-35300931-37, Web: www.alhilalsa.com

BDO

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 omission, 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.

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 Non - Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non - Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166FYJpIDqN8

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

HBL ISLAMIC REGULAR INCOME FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026 Rs. in '000'
ASSETS		
Balances with bank	5	111,872
Investments in Corporate Sukuks	6	65,000
Profit receivable	7	1,675
TOTAL ASSETS		178,547
LIABILITIES		
Payable to the HBL Asset Management Limited - Management Company	8	105
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	10
Payable to Securities and Exchange Commission of Pakistan	10	9
Accrued expenses and other liabilities	11	350
TOTAL LIABILITIES		474
NET ASSETS		178,073
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		178,073
CONTINGENCIES AND COMMITMENTS	12	
		Number of units
Number of units in issue	13	1,780,729
		Rupees
Net assets value per unit		100.0000

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	For the period from May 08, 2026 to June 30, 2026
		Rs. in '000'
Income		
Income from Corporate Sukuks Bonds		198
Profit on bank deposits		2,823
		3,021
Expenses		
Remuneration of the Management Company	8.1	185
Sindh Sales Tax on remuneration of the Management Company	8.2	28
Remuneration of the Trustee	9.2	18
Sindh Sales Tax on remuneration of the Trustee	9.3	3
Annual fee to Securities and Exchange Commission of Pakistan	10	18
Auditors' remuneration	14	238
		490
Net income for the period before taxation		2,531
Taxation	15	-
Net income for the period		2,531
Allocation of net income for the period		
Net income for the year		2,531
Income already paid on redemption of units		-
		2,531
Accounting income available for distribution:		
Relating to capital gain		-
Excluding capital gain		2,531
		2,531
		2,531

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC REGULAR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	For the period from May 08, 2026 to June 30, 2026
	Rs. in '000'
Net income for the period	2,531
Other comprehensive income	-
Total comprehensive income for the period	2,531

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ISLAMIC REGULAR INCOME FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	Note	For the period from May 08, 2026 to June 30, 2026
		Rs. in '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		2,531
Adjustments for:		
Income from Corporate Sukuks Bonds		(198)
Profit on bank deposits		(2,823)
		(490)
(Increase)/Decrease in assets		
Investments	6	(65,000)
		(65,000)
Increase/(Decrease) in liabilities		
Payable to the Management Company	8	105
Payable to the Trustee	9	10
Payable to Securities and Exchange Commission of Pakistan	10	9
Accrued expenses and other liabilities	11	350
		474
Cash used in operating activities		(65,016)
Income received from Corporate Sukuks Bonds		-
Profit / mark-up received on bank deposits		1,347
		1,347
Net cash used in operating activities		(63,669)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units		900,240
Dividend paid during the period		(2,533)
Transfer of unit holder's investment in another fund		(722,167)
Net cash generated from financing activities		175,540
Net increase in cash and cash equivalents		111,871
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	111,872

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	For the period from May 08, 2026 to June 30, 2026
		Rs. in '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		2,531
Adjustments for:		
Income from Corporate Sukuks Bonds		(198)
Profit on bank deposits		(2,823)
		(490)
(Increase)/Decrease in assets		
Investments	6	(65,000)
		(65,000)
Increase/(Decrease) in liabilities		
Payable to the Management Company	8	105
Payable to the Trustee	9	10
Payable to Securities and Exchange Commission of Pakistan	10	9
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Transfer of unit holder's investment in another fund		(722,167)
Net cash generated from financing activities		175,540
Net increase in cash and cash equivalents		111,871
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	111,872

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 Islamic Regular Income Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on December 18, 2025 and registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBLIRIF/2025-107 dated October 29, 2025.

1.2 HBL Asset Management Limited is the 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.

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

1.4 The Fund has been categorised as an Open end Shariah Compliant Income 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 Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 31, 2025 while the fund is currently not rated.

1.7 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 as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017, along with the 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, Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications 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 Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations 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 ('Rupees' or 'Rs'), which is the Fund's functional currency.

2.4 Use of judgments and estimates

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, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the 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, 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 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:

	Note
a) Classification and valuation of investment	4.2
c) Impairment of investment	4.2.4

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, 2026

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual years beginning on or after)
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 the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to 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
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	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 years 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 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

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 balances maintained with banks. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

4.2.2 Financial assets

There are three principal classification categories for financial assets:

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

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses, gain / loss on derecognition and modification and impairment charge and reversals are recognised in income statement.

Financial assets at FVOCI

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

Financial assets at FVPL

All other financial assets are classified as FVPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior years, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.

- Held-to-collect and sell business model: This includes Government Securities and Sukuks, if any. These financial assets are held to collect contractual cash flow and sell the financial assets.

- Other business model: This includes Government Securities and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting year following the change in the business model.

4.2.3 Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) and measure subsequently using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.2.4 Impairment of financial assets

The Fund at each reporting date assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

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.

4.2.6 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

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.

Basis of valuation of government 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 (PSX) are valued at rates quoted on PSX.

Basis of valuation of spread transactions

Spread transactions are valued at their fair value determined using quoted market prices and rates prevailing at the reporting date. The valuation reflects the difference between the contracted purchase and sale prices of the underlying securities, adjusted for accrued income/expenses where applicable.

4.2.7 Regular way contracts

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

4.2.8 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 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net income / (loss) for the period of the Fund by the weighted average number of units outstanding during the period. Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.4 Provisions

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

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

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

4.6 Proposed distributions

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

Distributions declared subsequent to 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.

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.7 Issue and redemption of units

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

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company 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.

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

Element of income represents the difference between Net Assets Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

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 same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.9 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 in circulation as at the period end.

4.10 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the income Statement on the date at which the transaction takes place.
- Income from Government securities, and investment in debt securities are recognized using the effective interest rate method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recognized in the income Statement in the period in which they arise.
- Profit on balances with banks is recognized on time proportion basis.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, trustee fee and annual fee of the SECP are recognised in the Income Statement when incurred.

4.13 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.

5 Balances with banks	Note	2026 Rs. in '000'
Local Currency		
In savings account	5.1	111,872

5.1 These accounts carry profit rate 8.50% per annam.

6	INVESTMENTS IN CORPORATE SUKUKS	Note	2026 Rs. in '000'
	At fair value through profit and loss	6.1	65,000
			65,000

6.1 At fair value through profit and loss

Name of the investee company	Purchases during the period	Sales during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Market value as a percentage of	
							Total investments	Net assets
	(No. of units)			(Rupees in '000)			%	
Select Technologies Private Limited	20	-	20	20,000	20,000	-	30.77%	11.23%
Citi Pharma Holding Limited	20	-	20	20,000	20,000	-	30.77%	11.23%
Pakistan Telecommunication Private Limited	25	-	25	25,000	25,000	-	38.46%	14.04%
Total - as at June 30, 2026	105	-	105	65,000	65,000	-	100.00%	36.50%

6.1.1 These corporate sukuk bonds carry profit ranging between 11.82% to 12.42% per annum.

6.1.2 Significant terms and conditions of corporate sukuk bonds as at June 30, 2026 are as follows:

Name of the investee company	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
		(Rupees in '000)			
Select Technologies Private Limited	At Maturity	1,000	6 month Kibor + 1.75%	15/Jun/26	14/Dec/26
Citi Pharma Holding Limited	At Maturity	1,000	3 month Kibor + 0.70%	22/Jun/26	22/Dec/26
Pakistan Telecommunication Private Limited	At Maturity	385	3 month Kibor	29/Jun/26	29/Dec/26

7	PROFIT RECEIVABLE	Note	2026 Rs. in '000'
	Bank deposit	7.1	1,477
	Income receivable on Sukuks		198
			1,675

7.1 This includes represent receivable from Habib Bank Limited, a related party.

8	PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026 Rs. in '000'
	Remuneration payable to the management company	8.1	91
	Sindh sales tax on management company's remuneration	8.2	14
			105

8.1 As per the Regulation 61 of the NBFC Regulations, Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. The maximum limit disclosed in the offering document is 1.50% per annum of average annual net assets. During the period, the fee is being charged 0.75% of the average annual net assets. The fee is payable monthly in arrears.

8.2 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% on remuneration of the Management Company..

9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026 Rs. in '000'
	Remuneration payable to Trustee	9.1 & 9.2	9
	Sindh sales tax on remuneration of the Trustee	9.3	1
			10

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 tari? speci?ed 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 remunaration shall consist of reimbursement of actual custodian expenses plus trustee tariff of 0.075% p.a. of net assets.

9.3 The Sindh sales tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% on remuneration of the Trustee.

10 PAYABLE TO THE SECURITIES AN EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a trustee to a collective investment scheme classified as an Income Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged the SECP fee at the rate of 0.075% of net assets during the current period.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 Rs. in '000'
	Withholding tax payable		60
	Dividend payable		52
	Auditors' remuneration		238
			350

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026.

13	NUMBER OF UNITS IN ISSUE	Number of Units
	Units issued	9,002,396
	Less: Units redeemed	(7,221,667)
	Total units in issue at the end of the period	1,780,729

14	AUDITORS' REMUNERATION	For the period from May 08, 2026 to June 30, 2026
	Annual audit fee	202
	Out of pocket expenses	20
	Sindh Sales Tax	16
		238

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 the accounting income for the period 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 as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current period as the Fund has distributed required minimum percentage of income earned by the Fund for the period ending June 30, 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
16 FINANCIAL INSTRUMENTS BY CATEGORY				
Financial assets				
Bank balances	-	-	111,872	111,872
Investments				
Corporate Sukuks	-	65,000	-	65,000
Profit receivable	-	-	1,675	1,675
	-	65,000	113,547	178,547
Financial liabilities				
Payable to the HBL Asset Management Limited	-	-	91	91
Payable to the Central Depositrory Company	-	-	9	9
Accrued expenses and other liabilities	-	-	290	290
	-	-	390	390

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

17.1 Connected persons/Related parties include HBL Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, 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, any person or company 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 and key management personnel of the Management Company.

17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at 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 NBFC Regulations which are publicly available documents.

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

17.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

17.1 **Transactions during the period from May 08, 2026 to June 30, 2026**	**Rs. in '000'**
HBL Asset Management Limited - Management Company	
Remuneration of Management Company	185
Sindh sales tax on remuneration of the Management company	28
Central Depository Company of Pakistan Limited - Trustee	
Remuneration	18
Sindh sales tax on remuneration of the Trustee	3
Connected Party more than 10%	
The Hunar Foundation	
Issuance of units 454,917	45,492
Lotte Akhtar Beverages (Private) Limited Employees Provident Fund	
Issuance of units 937,996	93,800
Divedend reinvest of units 5,302	530
Related Party - Executive	
Muhammad Junaid Kasbati	
Issuance of units 20	2

17.2	Balance outstanding as at the period end	Rs. in '000'
	HBL Asset Management Limited - Management Company	
	Remuneration payable to the Management Company	91
	Sindh sales tax payable on Management Company's remuneration	14
	Central Depository Company of Pakistan Limited - Trustee	
	Trustee fee payable	9
	Sindh sales tax payable on Trustee Remuneration	1
	Connected Party more than 10%	
	The Hunar Foundation	
	Dividend Reinvestment 4,670 units (2025: Nil units)	45,492
	Units held 454,917	467
	Lotte Akhtar Beverages (Private) Limited Employees Provident Fund	
	Units held 943,299	94,330
	Related Party - Executive	
	Muhammad Junaid Kasbati	
	Units held 20	2

19 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in Government securities. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which 8.50% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs. 1.7687 million.

b) Fair value interest rate risk

The Fund's investment is Corporate Sukuk bonds 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, 2026, with all other variables held constant, the net income for the period and the net assets would be lower/higher by Rs. 0.650 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, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

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

	As at June 30, 2026					
	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 period	More than one period		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	8.50	111,872	-	-	-	111,872
Investments						
Corporate Sukuks Bonds	11.82 - 12.42	65,000	-	-	-	65,000
Profit receivable		-	-	-	1,675	1,675
Sub total		176,872	-	-	1,675	178,547
Financial liabilities						
Payable to the Management Company		-	-	-	91	91
Payable to the Trustee		-	-	-	9	9
Accrued expenses and other liabilities		-	-	-	290	290
Sub total		-	-	-	390	390
On-balance sheet gap (a)		176,872	-	-	1,285	178,157
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		176,872	-	-	1,285	178,157
Cumulative interest rate sensitivity gap		176,872	-	-		

Name of Banks	Balances held as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	Rupees in '000		
Habib Bank Limited	111,872	A-1+	VIS

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

Rating by rating category	2026 -- (%) --
A-1+	100

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect counterparties or groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances. There is no concentration of credit risk as at reporting date.

19.3 Liquidity risk

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

The Fund is exposed to cash redemptions subject to contingent load due to early redepmtions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow. The borrowing, however, shall not be resorted to, except for meeting redemption requests. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current period, no borrowings were made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current period.

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

Particulars	-------- As at June 30, 2026 --------			
	Upto three months	More than three months and upto one period	More than one period	Total
	-------- Rupees in '000 --------			
Financial liabilities				
Payable to the HBL Asset Management Limited	91	-	-	91
Payable to the Central Depository Company	9	-	-	9
Accrued expenses and other liabilities	290	-	-	290
	390	-	-	390

20 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly as the Fund is subject to early redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

- Redeems and issues units in accordance with the constitutive documents (Offering Document) of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

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

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

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

- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level3).

As at June 30, 2026, the Fund held the following financial instruments measured at fair values:

	June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:							
Balances with bank	-	111,872	111,872	-	-	-	-
Investments	65,000	-	65,000	-	-	-	-
Profit receivable	-	1,675	1,675	-	-	-	-
	65,000	113,547	178,547	-	-	-	-
Financial Liabilities:							
Payable to the Management Company	-	105	105	-	-	-	-
Payable to the Trustee	-	10	10	-	-	-	-
Accrued expenses and other liabilities	-	350	350	-	-	-	-
	-	465	465	-	-	-	-

21.1 Transfers during the period

During the period, no transfers were made between various levels of fair value heriarchy.

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

There were no brokers during the period ended June 30, 2026.

23 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. no.	Name	Designation	Qualifications	Experience in periods
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2.	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
3.	Amin Mohammad	Head of Risk	MBA	32+
4.	Nida Siddiqui	Assistant Fund Manager	MBA	1
5.	Hammad Ali Abbas	Senior Fund Manager	MSC	8+

24 PATTERN OF UNITHOLDING

Category	As at June 30, 2026			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Trust	1	454,917	45,490	26%
Other Corporate	1	943,299	94,330	53%
Individuals	27	382,513	38,250	21%
	29	1,780,729	178,070	100%

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

Nine meetings of the Board of Directors were held on August 28,2025 , October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026, June 23, 2026. 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	Mr. Mir Adil Rashid	9	9	-	-
3	Mr. Khalid Malik	9	9	-	-
4	Ms. Sheeza Ahmed	9	9	-	-
5	Ms. Ava A. Cowasjee	9	8	1	-
6	Mr. Tariq Masaud	9	8	1	October 30, 2025
7	Mr. Abrar Ahmed Mir	9	4	5	October 20, 2025, April 29, 2026, February 25, 2026, June 04, 2026, June 23, 2026.

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
8	Mr. Rayomond H. Kotwal	6	5	1	December 22, 2025
9	Mr. Habib Yousuf Habib	3	3	-	-
10	Ms. Sahar Awan	3	3	-	-
11	Mr. Irfan Ahmed Meer	2	2	-	-

26 TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 8.1 of these financial statements. The TER for the period ended June 30, 2026 is 1.02%which includes 0.18% representing Government levy and SECP fee HBL Islamic Regular income Fund.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

28 GENERAL

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

28.2 The HBL Islamic Regular Income Fund Fund have been launched in current period. Therefore, no comparative figures have been presented for these plans.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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