

Voluntary Pension Schemes

ANNUAL REPORT 2026

For the year ended June 30, 2026

MOVING TOWARDS
EXCELLENCE

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.



TABLE OF CONTENTS

Corporate Information	05
Report of the Directors of the Management Company	06
HBL Pension Fund	
Fund Information	10
Proxy	11
Trustee Report to the Unit Holders	12
Independent Auditors' Review Report to the unit holders	13
Statement of Assets and Liabilities	16
Income Statement	17
Other Comprehensive Income	18
Statement of Movement in Participant's Sub Funds	19
Cash Flow Statement	20
Notes to the Financial Information	21
HBL Islamic Pension Fund	
Fund Information	57
Proxy	58
Trustee Report to the Unit Holders	59
Statement Of Compliance	57
Shariah Report	58
Independent Auditors' Review Report to the unit holders	59
Statement of Assets and Liabilities	62
Income Statement	63
Other Comprehensive Income	64
Statement of Movement in Participant's Sub Funds	65
Cash Flow Statement	66
Notes to the Financial Information	67
HBL KPK Pension Fund	
Fund Information	94
Trustee Report to the Unit Holders	95
Independent Auditors' Review Report to the unit holders	96
Statement of Assets and Liabilities	99
Income Statement	100
Other Comprehensive Income	101
Statement of Movement in Participant's Sub Funds	102
Cash Flow Statement	104
Notes to the Financial Information	104
HBL KPK Islamic Pension Fund	
Fund Information	125
Trustee Report to the Unit Holders	126
Statement Of Compliance	127
Shariah Report	128
Independent Auditors' Review Report to the unit holders	129
Statement of Assets and Liabilities	132
Income Statement	133
Other Comprehensive Income	134
Statement of Movement in Participant's Sub Funds	135
Cash Flow Statement	136
Notes to the Financial Information	137
HBL Punjab Fund	
Fund Information	155
Independent Auditors' Review Report to the unit holders	156
Statement of Assets and Liabilities	159
Income Statement	160
Other Comprehensive Income	161
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUND	162
Cash Flow Statement	163
Notes to the Financial Information	164
HBL Islamic Punjab Fund	
Fund Information	174
Statement Of Compliance	175
Shariah Report	176
Independent Auditors' Review Report to the unit holders	177
Statement of Assets and Liabilities	180
Income Statement	181
Other Comprehensive Income	182
Statement of Movement in Participant's Sub Funds	183
Cash Flow Statement	184

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 Mr. Khalid Malik Ms. Sheeza Ahmed Dr. Sahar Awan Mr. Irfan Ahmed Meer Mr. Tariq Masaud Mr. Abrar Ahmed Mir	(Chief Executive Officer) (Independent Director) (Independent Director) (Independent Director) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)

Audit Committee

Chairman	Mr. Khalid Malik	(Independent Director)
Members	Mr. Irfan Ahmed Meer Ms. Sheeza Ahmed	(Non-Executive Director) (Independent Director)

Human Resource & Remuneration Committee

Chairman	Mr. Shahid Ghaffar	(Non-Executive Director)
Members	Ms. Sheeza Ahmed Mr. Irfan Ahmed Meer	(Independent Director) (Non-Executive Director)

Risk Management Committee

Chairman	Dr. Sahar Awan	(Independent Director)
Members	Mr. Shahid Ghaffar Mr. Tariq Masaud	(Non-Executive Director) (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.
www.hblasstet.com

Website

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 FOR THE YEAR ENDED JUNE 30, 2026

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report along with Financial Statements Report of HBL Pension Fund, HBL Islamic Pension Fund, HBL KPK Pension Fund, HBL KPK Islamic Pension Fund, HBL Punjab Pension Fund and HBL Punjab Islamic Pension 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

During the period under review, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). 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 KSE All-Share Index rose to 911 million shares during the period under review, representing a 44% increase compared to 633 million shares in the same period last year. Similarly, the average daily traded value surged by 51% to PKR 42.5 billion, up from PKR 28.15 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 USD 329 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.



Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

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

HBL Pension Fund

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

The Fund as a whole earned a total and net income of Rs. 414.92 million and Rs. 360.85 million respectively during the year under review. The fund size increased from Rs. 2,835.00 million as on June 30, 2025 to Rs. 4,323.22 million as at June 30, 2026 thereby showing an increase of 52% during the year under review. Performance review for each sub fund is given below:

Equity Sub-Fund

During the year under review, the Equity sub-fund earned a total and net income of Rs. 87.72 million and Rs. 79.21 million respectively. The net assets of the Equity sub-fund were Rs. 581.95 million representing Net Asset Value (NAV) of Rs. 1,061.2110 per unit as at June 30, 2026. The Sub Fund yielded a return of 31.00% for the year under review. The Fund is invested to the extent of 94% in equities.

Debt Sub-Fund

During the year under review, the Debt sub-fund earned total and net income of Rs. 146.93 million and Rs. 125.39 million respectively. The net assets of the Debt sub-fund were Rs. 1,571.90 million representing Net Asset Value (NAV) of Rs. 443.9863 per unit as at June 30, 2026. The Fund yielded annualized return of 9.44% for the year under review.

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 180.28 million and Rs. 156.26 million respectively. The net assets of the Money Market sub-fund were Rs. 2,169.38 million representing Net Asset Value (NAV) of Rs. 372.2589 per unit as at June 30, 2026. An annualized return of 9.49% was earned by the Fund for the year under review.

HBL Islamic Pension Fund

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

The Fund as a whole earned a total and net income of Rs. 319.38 million and Rs. 289.02 million respectively during the year under review. The fund size increased from Rs. 2,011.59 million as at June 30, 2025 to Rs. 2,883.97 million as at June 30, 2026 showing an increase of 43%. Performance review for each sub fund is given below:

Equity Sub-Fund

During the year under review, the Equity sub-fund earned a total and income of Rs. 134.91 million and Rs. 125.49 million respectively. The net assets of the Equity sub-fund were Rs. 648.22 million representing Net Asset Value (NAV) of Rs. 1,231.9734 per unit as at June 30, 2026. The Fund yielded a return of 32.01% for the period. The Sub Fund is invested to the extent of 96% in equities.

Debt Sub-Fund

During the year under review, the Debt sub-fund earned total and net income of Rs. 63.92 million and Rs. 56.44 million respectively. The net assets of the Debt sub-fund were Rs. 785.15 million representing Net Asset Value (NAV) of Rs. 341.1714 per unit as at June 30, 2026. The Fund yielded annualized return of 9.13% for the year under review.

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 120.56 million Rs. 107.08 million respectively. The net assets of the Money Market sub-fund were Rs. 1,450.59 million representing Net Asset Value (NAV) of Rs. 323.1671 per unit as at June 30, 2026. An annualized return of 8.96% was earned by the Fund for the year under review.

HBL KPK Pension Fund

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

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

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

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 7.94 million Rs. 7.13 million respectively. The net assets of the Money Market sub-fund were Rs. 88.45 million representing Net Asset Value (NAV) of Rs. 139.5721 per unit as at June 30, 2026. An annualized return of 10.28% was earned by the Fund for the year under review.

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

HBL KPK Islamic Pension Fund

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

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

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

Money Market Sub-Fund

During the year under review, the Money Market sub-fund earned total and net income of Rs. 7.73 million Rs. 6.83 million respectively. The net assets of the Money Market sub-fund were Rs. 98.58 million representing Net Asset Value (NAV) of Rs. 135.8705 per unit as at June 30, 2026. An annualized return of 8.54% was earned by the Fund for the year under review.

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

HBL Punjab Pension Fund

The HBL Punjab Pension Fund was launched on March 12, 2026. The Fund is unlisted pension scheme and its units are offered on a continuous basis to employees of Punjab Government appointed / recruit under Punjab Civil Servants (Amendment) Act 2022 or an employee of Punjab Government regularize as Civil Servant through any legal instrument issued after coming into force of the Punjab Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization.

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

As at June 30, 2026, only the seed money remains invested in the Fund and there was no contribution from members of the Fund.

HBL Punjab Islamic Pension Fund

The HBL Punjab Islamic Pension Fund was launched on March 12, 2026. The Fund is unlisted pension scheme and its units are offered on a continuous basis to employees of Punjab Government appointed / recruit under Punjab Civil Servants (Amendment) Act 2022 or an employee of Punjab Government regularize as Civil Servant through any legal instrument issued after coming into force of the Punjab Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization.



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

As at June 30, 2026, only the seed money remains invested in the Fund and there was no contribution from members of the Fund.

Auditors

M/s BDO Ebrahim & Co., Chartered Accountants, existing auditors of HBL Pension Fund, HBL Islamic Pension Fund, HBL KPK Pension Fund, HBL KPK Islamic Pension Fund, HBL Punjab Pension Fund and HBL Punjab Islamic Pension Fund have retired and eligible for re-appointment. The Board of Directors on the recommendation of the Audit Committee, has re-appointed M/s. BDO Ebrahim & Co., Chartered Accountants as Auditors of these Funds for the year ending June 30, 2027.

Acknowledgement

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

HBL

Pension Fund

FUND INFORMATION

NAME OF FUND

HBL Pension Fund

NAME OF AUDITOR

BDO EBRAHIM & Co. Chartered Accountant

NAME OF TRUSTEE

Central Depository Company of Pakistan Limited (CDC)

BANKERS

Habib Bank Limited
Faysal Bank Limited
Allied Bank Limited
JS Bank Limited
NIB Bank Limited
Sindh Bank Limited
Soneri Bank Limited
Zarai Taraqiati Bank Limited
Bank Al falah Limited
Khushhali Micro Finance Limited
U Micro Finance Limited
First Micro Finance Limited
National Bank of Pakistan
Bank Al Habib Limited
Askari Bank Limited

Summary of Actual Proxy voted by CIS

HBLIF	Meetings	Resolutions	For	Against
Number	7	15	15	-
(%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		
Allied Bank Limited		
Askari Bank Limited	3/17/2026	
AT-TAHUR LIMITED		
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
Bank Alfalah Limited	3/26/2026	
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	
Habib Bank Limited	3/30/2026	28-Apr-26
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
MCB Bank Limited	3/27/2026	
Meezan Bank Ltd		
Mughal Iron		
National Bank of Pakistan		
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
Samba Bank Limited	3/26/2026	
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 Bank of Punjab	3/26/2026	
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Searle Comp		12-Jun-26
TPL Corp Limited	12/30/2025	23-Apr-26
TPL Insurance Limited	4/23/2026	
TPL Life Insurance Limited	30-05-2026 30-04-2026 23-04-2026	
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:

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TRUSTEE REPORT TO THE PARTICIPANTS

HBL PENSION FUND

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026



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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS OF HBL PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Pension 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 participants' sub funds 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.

Information other than the Financial Statements and Auditor's Report thereon

The Pension Fund Manager ("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 Pension Fund Manager and Board of Directors of the Pension Fund Manager for the Financial Statements

The Pension Fund Manager of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.
- Conclude on the appropriateness of the Pension Fund Manager'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 Pension Fund Manager 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 Pension Fund Manager 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 Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Voluntary Pension System Rules, 2005.

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

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166MWJLFKreY


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL Pension Fund
Statement Of Assets And Liabilities
AS AT JUNE 30, 2026

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Assets		-----Rupees in '000-----							
Balances with banks	5	3,832	436,767	271,727	712,326	5,464	41,029	634,277	680,770
Investments	6	578,646	1,104,103	1,889,127	3,571,876	231,980	987,950	915,642	2,135,572
Dividend and profit receivable	7	672	33,614	12,360	46,646	632	25,665	3,234	29,531
Advance Deposits and other receivable	8	2,703	1,030	577	4,310	2,683	447	217	3,347
Total assets		585,853	1,575,514	2,173,791	4,335,158	240,759	1,055,091	1,553,370	2,849,220
Liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	9	535	1,666	1,964	4,165	212	1,164	1,648	3,024
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	57	154	209	420	25	120	169	314
Annual fee payable to the Securities and Exchange Commission of Pakistan	11	160	561	688	1,409	64	391	498	953
Payable against purchase of Securities		-	-	-	-	2,861	-	-	2,861
Accrued expenses and other liabilities	12	3,155	1,232	1,554	5,941	4,544	1,054	1,470	7,068
Total liabilities		3,907	3,613	4,415	11,935	7,706	2,729	3,785	14,220
Net assets		581,946	1,571,901	2,169,376	4,323,223	233,053	1,052,362	1,549,585	2,835,000
PARTICIPANT'S SUB FUNDS (AS PER STATEMENT ATTACHED)		581,946	1,571,901	2,169,376	4,323,223	233,053	1,052,362	1,549,585	2,835,000
CONTINGENCIES AND COMMITMENTS		13							
Number of units in issue	15	548,379	3,540,429	5,827,599		287,683	2,593,895	4,557,888	
Net assets value per unit		1,061.2110	443.9863	372.2589		810.1039	405.7070	339.9787	

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
16

Director

HBL Pension Fund
Income Statement
FOR THE YEAR ENDED JUNE 30, 2026

June 30, 2026					June 30, 2025				
	Equity	Debt	Money	Total	Equity	Debt	Money	Total	
	Sub-Fund	Sub-Fund	Market		Sub-Fund	Sub-Fund	Market		
			Sub-Fund				Sub-Fund		
	-----Rupees in '000-----								
Income									
Capital gain on sale of investments	30,120	-	110	30,230	15,754	4,221	1,700	21,675	
Dividend income	17,910	-	-	17,910	8,634	-	-	8,634	
Profit on bank deposits	328	42,794	47,437	90,559	2,240	16,559	20,602	39,401	
Return on investments	-	114,585	133,536	248,121	-	117,596	162,782	280,378	
	48,358	157,379	181,083	386,820	26,628	138,376	185,084	350,088	
Unrealised appreciation / (diminution) on re-measurement of investments									
'classified at fair value through profit or loss' - net	39,357	(10,452)	(806)	28,099	37,593	42,328	935	80,856	
	87,715	146,927	180,277	414,919	64,221	180,704	186,019	430,944	
Expenses									
Remuneration of the HBL Asset Management Limited - Pension Fund Manager	9.1	3,992	16,123	17,179	37,294	1,598	11,283	14,277	27,158
Sindh Sales Tax on the remuneration of the HBL Asset Management Limited - Pension Fund Manager	9.2	599	2,616	2,819	6,034	240	1,692	2,142	4,074
Remuneration of the Central Depository Company of Pakistan - Trustee	10.1	442	1,547	1,923	3,912	191	1,171	1,487	2,849
Sindh Sales Tax on the remuneration of the Central Depository Company of Pakistan - Trustee	10.2	66	34	46	146	29	176	223	428
Annual fees to the Securities and Exchange - Commission of Pakistan	11.1	160	561	687	1,408	64	391	497	952
Auditors' remuneration	16	93	251	347	691	90	191	266	547
Settlement, Bank charges & Others		169	406	997	1,572	142	259	200	601
Securities transaction cost		2,989	2	24	3,015	1,735	10	8	1,753
		8,510	21,540	24,022	54,072	4,089	15,173	19,100	38,362
Net income for the year before taxation		79,205	125,387	156,255	360,847	60,132	165,531	166,919	392,582
Taxation	17	-	-	-	-	-	-	-	-
Net income for the year		79,205	125,387	156,255	360,847	60,132	165,531	166,919	392,582

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 Pension Fund
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
	----- Rupees in '000 -----							
Net income for the year	79,205	125,387	156,255	360,847	60,132	165,531	166,919	392,582
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	79,205	125,387	156,255	360,847	60,132	165,531	166,919	392,582

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
18

Director

HBL Pension Fund
STATEMENT OF MOVEMENT IN PARTICIPANT'S SUB FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----							
Net assets at the beginning of the year	233,053	1,052,362	1,549,585	2,835,000	97,283	908,432	1,041,589	2,047,304
Amount received on issue of units	745,707	1,139,720	1,435,458	3,320,886	463,004	2,114,157	1,847,745	4,424,906
Amount paid on redemption of units	(476,019)	(745,568)	(971,922)	(2,193,509)	(387,366)	(2,135,758)	(1,506,668)	(4,029,792)
	269,688	394,152	463,536	1,127,376	75,638	(21,601)	341,077	395,114
Capital gain on sale of investments	30,120	-	110	30,230	15,754	4,221	1,700	21,675
Unrealised appreciation / (diminution) on 're-measurement -								
'of investments classified at fair value 'through profit or loss' - net	39,357	(10,452)	(806)	28,099	37,593	42,328	935	80,856
Other income for the year - net	9,728	135,839	156,951	302,518	6,785	118,982	164,284	290,051
Total comprehensive income for the year	79,205	125,387	156,255	360,847	60,132	165,531	166,919	392,582
Net assets at the end of the year	<u>581,946</u>	<u>1,571,901</u>	<u>2,169,376</u>	<u>4,323,223</u>	<u>233,053</u>	<u>1,052,362</u>	<u>1,549,585</u>	<u>2,835,000</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Net income for the year before taxation
Adjustments for:
Capital (gain) on Investment
Unrealised appreciation on
re-measurement of investments 'classified
at fair value through profit or loss' - net
Dividend income
Profit on bank deposits
Mark-up / return on investments

Decrease / (increase) in assets

Investments
Receivable against issuance of Units
Deposits and other receivables

Increase / (decrease) in liabilities

Payable to the HBL Asset Management Limited - Pension
Fund Manager
Payable to the Central Depository Company of Pakistan
Limited - Turstee
Payable to Securities and Exchange Commission of
Pakistan
Payable against purchase of Securities
Accrued expenses and other liabilities

cash (used in) / generated from operation

Dividend received
Profit received on bank deposits
Mark-up received on investments

Net cashflows (used in) / generated from operating activities

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from issue of units
Payment against redemption of units
Reallocation among funds

Net cash generated from financing activities
Net increase / (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of the year
Cash and cash equivalents at the end of the year

Note

June 30, 2026				June 30, 2025			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Rupees in '000							
79,205	125,387	156,255	360,847	60,132	165,531	166,919	392,582
(30,120)	-	(110)	(30,230)	(15,754)	(4,221)	(1,700)	(21,675)
(39,357)	10,452	806	(28,099)	(37,593)	(42,328)	(935)	(80,856)
(17,910)	-	-	(17,910)	(8,634)	-	-	(8,634)
(328)	(42,794)	(48,157)	(91,279)	(2,240)	(16,559)	(20,602)	(39,401)
-	(114,585)	(133,536)	(248,121)	-	(117,596)	(162,782)	(280,378)
(8,510)	(21,540)	(24,742)	(54,792)	(4,089)	(15,173)	(19,100)	(38,362)
(277,189)	(126,605)	(974,181)	(1,377,975)	(83,890)	(462,470)	(444,093)	(990,453)
-	-	-	-	-	1,464	-	1,464
(20)	(583)	360	(243)	(1)	222	1	222
(277,209)	(127,188)	(973,821)	(1,378,218)	(83,891)	(460,784)	(444,092)	(988,767)
323	502	316	1,141	97	285	579	961
32	34	40	106	10	19	47	76
96	170	190	456	22	188	148	358
(2,861)	-	-	(2,861)	2,509	-	-	2,509
(1,389)	178	84	(1,127)	927	17	(1,690)	(746)
(3,799)	884	630	(2,285)	3,565	509	(916)	3,158
(289,518)	(147,844)	(997,933)	(1,435,295)	(84,415)	(475,448)	(464,108)	(1,023,971)
17,298	-	-	17,298	8,685	-	-	8,685
900	43,117	47,262	91,279	1,677	20,909	19,779	42,365
-	106,313	124,585	230,898	-	113,487	168,008	281,495
18,198	149,430	171,847	339,475	10,362	134,396	187,787	332,545
(271,320)	1,586	(826,086)	(1,095,820)	(74,053)	(341,052)	(276,322)	(691,426)
745,707	1,139,720	1,435,458	3,320,885	463,004	2,114,157	1,847,745	4,424,906
(476,019)	(745,568)	(971,922)	(2,193,509)	(387,366)	(2,135,758)	(1,506,668)	(4,029,792)
-	-	-	-	-	-	-	-
269,688	394,152	463,536	1,127,376	75,638	(21,601)	341,076	395,114
(1,632)	395,738	(362,550)	31,556	1,585	(362,653)	64,754	(296,314)
5,464	41,029	634,277	680,770	3,879	403,682	569,523	977,084
3,832	436,767	271,727	712,326	5,464	41,029	634,277	680,770

5

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
20

Director

HBL Pension Fund
Financial Information
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011.
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. Accordingly, on September 08, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.3** The Pension Fund Manager 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 Pension Fund Manager is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.4** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by SECP. The registered office of the Pension Fund Manager is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.
- 1.5** The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.6** The objective of the Fund is to provide a secure source of savings and retirement income to individuals. It is a portable pension scheme allowing individuals the flexibility of contributions and portfolio customization through allocation of such contributions in equity and fixed income investment avenues suited to their specific needs and risk profile.
- 1.7** The Fund consists of three sub-funds namely, HBL Pension Fund Equity Sub-Fund ("Equity Sub-Fund"), HBL Pension Fund Debt Sub-Fund ("Debt Sub-Fund") and HBL Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The investment policy for each of the sub-funds is as follows:
- The Equity Sub-Fund consists of a minimum 90% of net assets invested in listed equity securities. Investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Remaining assets of the equity sub-fund shall be invested in any government security having less than one year time to maturity, or be deposited with scheduled commercial banks having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
 - The Debt Sub-Fund consist of tradable debt securities with weighted average duration of the investment portfolio of the Debt Sub-Fund not exceeding five years. At least twenty five percent (25%) of the net assets in the Debt Sub-Fund shall be invested in deposit with scheduled commercial bank (excluding TDRs) or government securities not exceeding 90 days maturity. Upto twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating with stable outlook.
 - The Money Market Sub-Fund consists of short-term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government and deposits with commercial banks having 'A+' or higher rating provided that deposit with any one bank shall not exceed 20% of net assets of Money Market Sub-Fund. Investment in securities issued by provincial government, city government, government corporate entities with 'A' or higher rating or a corporate entity with 'A+' or higher rating or a government corporation with A+ or higher rating shall be in proportion as defined in offering document.
- 1.8** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the Sub-Funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.
- 1.9** VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable Outlook)' as at December 31, 2025 to the Pension Fund Manager while the fund is not currently rated.
- 1.10** Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. 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;
- Provisions of, directives and notifications issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (The VPS Rules), Voluntary Pension System Part V of Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ('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.

a) Classification and valuation of financial assets

Note

b) Provisions

4.2

c) Impairment of investment

4.3

4.2.3

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)**

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.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2026
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**Effective date
(annual periods
beginning on or after)**

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
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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
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Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
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Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
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Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
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IFRS 17 Insurance Contracts	January 01, 2027
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IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
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IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
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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 are 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.

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 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.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

Equity instruments at FVOCI

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to income statement. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

4.2.3 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.

4.2.4Derecognition

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.

4.2.5Fair 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.

4.2.6Regular way purchase and sale of financial asset

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.

4.2.7Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) 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.

4.2.8Offsetting 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 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.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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

4.5 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 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 circulation as at the year end.

4.7 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.

4.8 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the applications received by the distributors / Pension Fund Manager 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 Pension Fund Manager.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Pension Fund Manager 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, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.9 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 debt securities is recognized on a time proportion basis using effective interest rate method.
- Unrealized gains / losses arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the income statement in the period in which they arise.
- Profit on balances with banks is recognised on time proportion basis.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Pension Fund Manager, Trustee and annual fee of SECP are recognized in income statement on an accrual basis.

4.11 Distributions

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Pension Fund Manager. 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 Pension Fund Manager.

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.

5 Balances with banks

Saving accounts

Note

5.1

June 30, 2026				June 30, 2025			
Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees in '000 -----							
3,832	436,767	271,727	712,326	5,464	41,029	634,277	680,770
3,832	436,767	271,727	712,326	5,464	41,029	634,277	680,770

5.1 This includes balances of Rs. 1.242 million, Rs. 421.605 million & Rs. 267.572 million (June 30, 2025: Rs. 2.054 million, Rs. 32.160 million & Rs. 632.88 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party), during the year these accounts carried profit at the rates ranging between 9% to 11.5% (2025: 9% to 21.15%) respectively. During the year, other savings accounts of the Fund carried profit at the rates ranging between 8.00% to 11.5% (2025: 10.75% to 20.5%) per annum.

		June 30, 2026				June 30,2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
6	INVESTMENTS	Note	----- Rupees in '000 -----							
	At fair value through profit or loss									
	Listed equity securities	6.1	578,646	-	-	578,646	231,980	-	-	231,980
	Government securities:									
	Market Treasury Bills	6.2.1	-	264,293	1,626,661	1,890,954	-	311,482	915,642	1,227,124
	Pakistan Investment Bond	6.2.2	-	615,069	97,466	712,535	-	435,541	-	435,541
	Term Finance Certificate and Sukuk Bonds	6.2.3		224,741	165,000	389,741		240,927	-	240,927
			578,646	1,104,103	1,889,127	3,571,876	231,980	987,950	915,642	2,135,572

6.1 Fair value through profit or loss Listed securities - Equity Sub-Fund

6.1 Held by Equity Sub-Fund

									Market value as a percentage of	
Name of the investee company	As at July 1, 2025	Purchases during the year	Bonus during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealized (diminution) /appreciation as at June 30,2026	Net assets of the sub fund	Investment of sub funds
	----- (Number of shares) -----					----- (Rupees '000) -----			----- (%) -----	
Commercial Banks										
Askari Bank Limited	140,000	177,000		211,000	106,000	11,425	11,684	259	2.01%	2.02%
Faysal Bank Limited -(6.1.1)	840	142,000		87,000	55,840	5,015	5,542	527	0.95%	0.96%
MCB Bank Limited	-	12,000		-	12,000	4,423	4,866	443	0.84%	0.84%
Meezan Bank Limited	-	65,300		20,600	44,700	21,495	23,086	1,591	3.97%	3.99%
United Bank Limited	-	146,100		72,400	73,700	33,209	32,993	(216)	5.67%	5.70%
Bank Al-Habib Limited	-	4,000		4,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Ltd	-	384,800		23,200	361,600	21,152	20,492	(660)	3.52%	3.54%
Habib Bank Limited (a related party)	26,500	119,600		47,100	99,000	29,566	28,929	(637)	4.97%	5.00%
Samba Bank Limited	-	250,000		250,000	-	-	-	-	0.00%	0.00%
Allied Bank Limited	-	26,500		26,500	-	-	-	-	0.00%	0.00%
National Bank of Pakistan	-	150,000		55,850	94,150	18,760	18,689	(71)	3.21%	3.23%
The Bank of Punjab (6.1.2)	-	455,000		85,000	370,000	12,240	12,983	743	2.23%	2.24%
	167,340	1,932,300		882,650	1,216,990	157,285	159,264	1,979	27.37%	27.52%
INV. BANKS / INV. COS. / SECURITIES COS.										
Engro Holdings	37,078	67,650		22,500	82,228	21,244	23,659	2,415	4.07%	4.09%
Arif Habib Limited	14,500	-		14,500	-	-	-	-	0.00%	0.00%
	51,578	67,650		37,000	82,228	21,244	23,659	2,415	4.07%	4.09%

5.1 This includes balances of Rs. 1,242 million, Rs. 421,605 million & Rs. 267,572 million (June 30, 2025: Rs. 2,054 million, Rs. 32,160 million & Rs. 632.88 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party), during the year these accounts carried profit at the rates ranging between 9% to 11.5% (2025: 9% to 21.15%) respectively. During the year, other savings accounts of the Fund carried profit at the rates ranging between 8.00% to 11.5% (2025: 10.75% to 20.5%) per annum.

		June 30, 2026				June 30,2025				
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
6	INVESTMENTS	Note	----- Rupees in '000 -----							
	At fair value through profit or loss									
	Listed equity securities	6.1	578,646	-	-	578,646	231,980	-	-	231,980
	Government securities:									
	Market Treasury Bills	6.2.1	-	264,293	1,626,661	1,890,954	-	311,482	915,642	1,227,124
	Pakistan Investment Bond	6.2.2	-	615,069	97,466	712,535	-	435,541	-	435,541
	Term Finance Certificate and Sukuk Bonds	6.2.3		224,741	165,000	389,741		240,927	-	240,927
			578,646	1,104,103	1,889,127	3,571,876	231,980	987,950	915,642	2,135,572

6.1 Fair value through profit or loss Listed securities - Equity Sub-Fund

6.1 Held by Equity Sub-Fund

									Market value as a percentage of	
Name of the investee company	As at July 1, 2025	Purchases during the year	Bonus during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealized (diminution) /appreciation as at June 30,2026	Net assets of the sub fund	Investments of sub fund
	----- (Number of shares) -----				----- (Rupees '000) -----			----- (%) -----		
Commercial Banks										
Askari Bank Limited	140,000	177,000		211,000	106,000	11,425	11,684	259	2.01%	2.02%
Faysal Bank Limited -(6.1.1)	840	142,000		87,000	55,840	5,015	5,542	527	0.95%	0.96%
MCB Bank Limited	-	12,000		-	12,000	4,423	4,866	443	0.84%	0.84%
Meezan Bank Limited	-	65,300		20,600	44,700	21,495	23,086	1,591	3.97%	3.99%
United Bank Limited	-	146,100		72,400	73,700	33,209	32,993	(216)	5.67%	5.70%
Bank Al-Habib Limited	-	4,000		4,000	-	-	-	-	0.00%	0.00%
Bank Alfalah Ltd	-	384,800		23,200	361,600	21,152	20,492	(660)	3.52%	3.54%
Habib Bank Limited (a related party)	26,500	119,600		47,100	99,000	29,566	28,929	(637)	4.97%	5.00%
Samba Bank Limited	-	250,000		250,000	-	-	-	-	0.00%	0.00%
Allied Bank Limited	-	26,500		26,500	-	-	-	-	0.00%	0.00%
National Bank of Pakistan	-	150,000		55,850	94,150	18,760	18,689	(71)	3.21%	3.23%
The Bank of Punjab (6.1.2)	-	455,000		85,000	370,000	12,240	12,983	743	2.23%	2.24%
	167,340	1,932,300		882,650	1,216,990	157,285	159,264	1,979	27.37%	27.52%
INV. BANKS / INV. COS. / SECURITIES COS.										
Engro Holdings	37,078	67,650		22,500	82,228	21,244	23,659	2,415	4.07%	4.09%
Arif Habib Limited	14,500	-		14,500	-	-	-	-	0.00%	0.00%
	51,578	67,650		37,000	82,228	21,244	23,659	2,415	4.07%	4.09%

									Market value as a percentage of	
Name of the investee company	As at July 1, 2025	Purchases during the year	Bonus during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealized (diminution) /appreciation as at June 30,2026	Net assets of the sub fund	Investments of sub fund
----- (Number of shares) -----					----- (Rupees '000) -----			----- (%) -----		
Cement										
Cherat Cement Company Limited (6.1.2)	-	38,800		9,594	29,206	10,297	10,103	(194)	1.74%	1.75%
Attock Cement Limited	45,300	-		45,300	-	-	-	-	0.00%	0.00%
D. G. Khan Cement Co. Limited- (6.1.2)	37,920	89,700		57,600	70,020	13,168	15,633	2,465	2.69%	2.70%
Fauji Cement Company Limited. (6.1.2)	164,500	80,500		85,000	160,000	7,934	9,208	1,274	1.58%	1.59%
Thatta Cement	-	56,000		56,000	-	-	-	-	0.00%	0.00%
Lucky Cement Limited	14,835	64,400		22,200	57,035	24,170	26,779	2,609	4.60%	4.63%
Power Cement Limited	82,000	80,000		162,000	-	-	-	-	0.00%	0.00%
Maple Leaf Cement Factory Limited -(6.1.2)	177,000	166,000		196,500	146,500	13,480	15,662	2,182	2.69%	2.71%
Pioneer Cement Limited (6.1.2)	34,792	17,600		41,847	10,545	3,233	2,988	(245)	0.51%	0.52%
Dewan Cement Limited	-	427,000	-	427,000	-	-	-	-	0.00%	0.00%
Kohat Cement Limited	13,000	127,000		63,686	76,314	6,734	8,404	1,670	1.44%	1.45%
	569,347	1,147,000		1,166,727	549,620	79,016	88,777	9,761	15.25%	15.35%
Chemicals										
Sitara Chemical	1,131	-		1,131	-	-	-	-	0.00%	0.00%
Ghani Chemical Industries Limited	-	155,000		155,000	-	-	-	-	0.00%	0.00%
Biafo Industries Limited	23,281	-		23,281	-	-	-	-	0.00%	0.00%
Agritech Limited	25,500	-		25,500	-	-	-	-	0.00%	0.00%
	49,912	155,000		204,912	-	-	-	-	0.00%	0.00%
Glass and Ceramics										
Tariq Glass Limited	20,700	-		20,700	-	-	-	-	0.00%	0.00%
	20,700	-		20,700	-	-	-	-	0.00%	0.00%
Engineering										
International Steels Limited	-	6,000		6,000	-	-	-	-	0.00%	0.00%
AISHA STEEL MILLS LIMITED	-	146,000		146,000	-	-	-	-	0.00%	0.00%
Mughal Iron and Steel Industries Limited	776	17,500		17,500	776	58	68	10	0.01%	0.01%
	776	169,500		169,500	776	58	68	10	0.01%	0.01%
Fertilizer										
Engro Fertilizers Limited	-	19,500		19,500	-	-	-	-	0.00%	0.00%
Fatima Fertilizer Company Limited	-	71,000		-	71,000	9,910	11,736	1,826	2.02%	2.03%
Fauji Fertilizer Company Limited (6.1.2)	3,500	69,900		20,700	52,700	25,773	30,222	4,449	5.19%	5.22%
	3,500	160,400		40,200	123,700	35,683	41,958	6,275	7.21%	7.25%
Food and Personal Care										
National Foods Limited	8,000	2,500		10,500	-	-	-	-	0.00%	0.00%
Ghani Dairies Limited	-	30,000		-	30,000	600	599	(1)	0.10%	0.10%
Murree Brewery Company Limited	3,450	2,000		-	5,450	4,634	5,012	378	0.86%	0.87%
	11,450	34,500		10,500	35,450	5,234	5,611	377	0.96%	0.97%
Oil and gas exploration companies										
Oil & Gas Development Company Limited - (6.1.2)	84,000	120,300		57,900	146,400	38,605	49,025	10,420	8.42%	8.47%
Mari Energies Limited - (6.1.1)	11,688	23,000		11,500	23,188	16,141	15,635	(506)	2.69%	2.70%
Pak Petroleum Limited - (6.1.2)	112,400	184,400		118,100	178,700	35,816	43,356	7,540	7.45%	7.49%
	208,088	327,700		187,500	348,288	90,562	108,016	17,454	18.56%	18.66%

									Market value as a percentage of	
Name of the investee company	As at July 1, 2025	Purchases during the year	Bonus during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealized (diminution) /appreciation as at June 30,2026	Net assets of the sub fund	Investments of sub fund
----- (Number of shares) ----- (Rupees '000) ----- (%) -----										
Oil and gas marketing companies						-				
Pakistan State Oil Company Limited (6.1.1 and 6.1.2)	57,119	54,900		62,300	49,719	19,847	17,021	(2,826)	2.93%	2.94%
Sui Southern Gas Pipelines Limited	-	60,000		60,000	-	-	-	-	0.00%	0.00%
Sui Northern Gas Pipelines Limited	80,200	134,000		124,200	90,000	11,354	10,884	(470)	1.87%	1.88%
	137,319	248,900		246,500	139,719	31,201	27,905	(3,296)	4.80%	4.82%
Paper and Board										
Security Paper	11,975	-		11,975	-	-	-	-	0.00%	0.00%
	11,975	-		11,975	-	-	-	-	0.00%	0.00%
Pharmaceuticals										
Highnoon Laboratories Limited - (6.1.1)	4,806	150		2,000	2,956	2,929	2,964	35	0.51%	0.51%
Abbot Laboratories (Pakistan) Ltd. (6.1.2)	2,309	500		560	2,249	2,225	2,214	(11)	0.38%	0.38%
AGP Limited (6.1.2)	20,720	23,774		26,200	18,294	3,848	3,775	(73)	0.65%	0.65%
GlaxoSmithKline	17,500	2,300		12,800	7,000	2,744	2,592	(152)	0.45%	0.45%
Citi Pharma Limited	-	30,000		30,000	-	-	-	-	0.00%	0.00%
Haleon Pakistan	2,500	500		1,200	1,800	1,343	1,449	106	0.25%	0.25%
Searle Pakistan Limited - (6.1.1)	16,173	86,000	6,926	58,926	43,247	4,104	4,743	639	0.82%	0.82%
	64,008	143,224	6,926	131,686	75,546	17,193	17,737	544	3.06%	3.06%
Power generation and distribution						-				
The Hub Power Company Limited	37,000	89,400		63,600	62,800	12,500	14,661	2,161	2.52%	2.53%
Nishat Power Limited	-	100,000		-	100,000	9,570	7,351	(2,219)	1.26%	1.27%
K-Electric Limited	1,607,982	781,855		1,705,000	684,837	4,210	5,849	1,639	1.01%	1.01%
	1,644,982	971,255		1,768,600	847,637	26,280	27,861	1,581	4.79%	4.81%
Technology & Communication										
Pakistan Telecommunication Company	39,500	173,500		138,000	75,000	4,396	4,914	518	0.84%	0.85%
Systems Limited	11,000	140,000		46,741	104,259	16,041	15,335	(706)	2.64%	2.65%
TPL Trakker Limited	140,000	-		140,000	-	-	-	-	0.00%	0.00%
	190,500	313,500		324,741	179,259	20,437	20,249	(188)	3.48%	3.50%
Refinery										
Attock Refinery Limited	9,750	35,200		23,350	21,600	17,940	18,374	434	3.16%	3.18%
Pak Refinery Limited	25,000	449,000		25,000	449,000	14,767	16,016	1,249	2.75%	2.77%
National Refinery Limited	-	6,400		6,400	-	-	-	-	0.00%	0.00%
	34,750	490,600		54,750	470,600	32,707	34,390	1,683	5.91%	5.95%
Automobile Assembler										
Atlas Honda Limited	2,000	850		2,850	-	-	-	-	0.00%	0.00%
AL-Ghazi Tractors Ltd.	2,769	-		2,769	-	-	-	-	0.00%	0.00%
Ghandhara Ind	3,478	-		3,478	-	-	-	-	0.00%	0.00%
Ghandhara Automobile	3,550	8,000		11,550	-	-	-	-	0.00%	0.00%
Sazgar Engineering Works Limited	960	-		960	-	-	-	-	0.00%	0.00%
	12,757	8,850		21,607	-	-	-	-	0.00%	0.00%

Market value as a percentage of										
Name of the investee company	As at July 1, 2025	Purchases during the year	Bonus during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealized (diminution) /appreciation as at June 30,2026	Net assets of the sub fund	Investments of sub fund
	----- (Number of shares) -----					----- (Rupees '000) -----			----- (%) -----	
Automobile Parts & Accessories										
Baluchistan Wheels Limited	9,610	-		9,610	-	-	-	-	0.00%	0.00%
Panther Tyres Limited	-	43,890		43,890	-	-	-	-	0.00%	0.00%
	9,610	43,890		53,500	-	-	-	-	0.00%	0.00%
Textile										
Interloop Limited	-	68,000		-	68,000	6,310	7,313	1,003	1.26%	1.26%
Nishat Mills Limited	-	42,030		5,500	36,530	6,646	5,767	(879)	0.99%	1.00%
	-	110,030		5,500	104,530	12,956	13,080	124	2.25%	2.26%
Miscellaneous										
TPL Properties Limited	-	3,000,000		3,000,000	-	-	-	-	0.00%	0.00%
TPL Insurance Limited	-	120,616		-	120,616	3,281	3,313	32	0.57%	0.57%
Service Industries Limited	-	1,355		-	1,355	2,372	3,172	800	0.55%	0.55%
Arif Habib Corporation Limited	-	135,000		-	135,000	2,457	2,158	(299)	0.37%	0.37%
Pakistan Tobacco Company Limited	-	1,000		-	1,000	1,324	1,428	104	0.25%	0.25%
Berger Paint Pakistan Limited	-	20,284		20,284	-	-	-	-	0.00%	0.00%
Hum Network Limited	-	506,000		506,000	-	-	-	-	0.00%	0.00%
International Industries Limited	-	3,300		3,300	-	-	-	-	0.00%	0.00%
Adamjee Insurance Company Limited	-	40,000		40,000	-	-	-	-	0.00%	0.00%
Jubilee General Insurance Limited	-	35,000		35,000	-	-	-	-	0.00%	0.00%
Pakistan Reinsurance Company Limited	-	370,000		370,000	-	-	-	-	0.00%	0.00%
Pakistan International Bulk Terminal Limited	-	385,000		385,000	-	-	-	-	0.00%	0.00%
At-Tahur Limited	-	32,500		32,500	-	-	-	-	0.00%	0.00%
Pakistan Service Limited	-	900		900	-	-	-	-	0.00%	0.00%
Millat Tractor Limited	-	4,400		4,400	-	-	-	-	0.00%	0.00%
Pak Elektron Limited	-	14,000		14,000	-	-	-	-	0.00%	0.00%
Shifa Int.Hospital	1,950	2,000		3,950	-	-	-	-	0.00%	0.00%
	1,950	4,671,355		4,415,334	257,971	9,434	10,071	637	1.74%	1.74%
Total as at June 30, 2026	3,190,542	10,995,654	6,926	9,753,882	4,432,314	539,290	578,646	39,356	99%	100%
Total as at June 30, 2025	1,547,433	5,668,625	14,440	4,039,956	3,190,542	194,387	231,980	37,593	99.14%	100.00%

6.1.1The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh (HSC), challenging the applicability of withholding tax provision on bonus shares received by the CISs based on the the fact that CISs are exempt from deduction of income tax under Clause 99 Part I of Second Schedule of the ITO. In the year 2018, the Supreme Court (SCP) of Pakistan passed a judgement wherein the suits that are already pending or shall be filed in future must only be continued / entertained if the condition of depositing a minimum of 50 per cent of the tax calculated is met. Accordingly, CISs were required to pay the minimum 50 percent of tax, but a failure to do so on their part resulted in vacation of the stay obtained.

In the previous years the CISs had filed a petition via CP 4653 dated July 11, 2019 in the HSC. In this regard, on July 15, 2019, the Honourable High Court of Sindh (HSC) issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication.

The HSC had granted stay order till the final outcome of the case. Further, the investee companies had withheld the share equivalent to 5% of bonus announcement of the Fund in previous years.

Mughal Iron Limited
Pakistan State Oil company Limited
Faysal Bank Limited
Highnoon Laboratories Limited

June 30, 2026		
No. of shares with held	Rate	Market Value Rupees in '000
776	88	68
219	342	75
840	99	83
56	1,003	56
1,891	1,532	282

"Subsequently, the Finance Act, 2023 reintroduced the tax on bonus shares. This tax measure was initially introduced through the Finance Act, 2014 but was subsequently omitted under the Finance Act, 2018. Through the Finance Act, 2023, the taxation was reintroduced by inserting Section 236Z, which imposes withholding tax at the rate of 10% on the issuance of bonus shares. The provisions of Section 236Z has become effective from July 1, 2023..\"

There is no change in the status of bonus shares of the funds withheld by investee companies as reported in the annual financial statements of the Fund for the year ended June 30, 2026, which are as follows

Mari Energies Limited
Searle Pakistan Limited

June 30, 2026		
No. of shares with held	Rate	Market Value Rupees in '000
1,444	674	973
672	95	64
2,116	769	1,037

6.1.2 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-----	
Abbot Laboratories (Pakistan) Limited	1,000	1,000	984	972
AGP Limited	2,000	6,000	413	1,146
The Bank Of Punjab	30,000	-	1,053	-
Cherat Cement Company Limited	6,000	-	2,076	-
D.G Khan Cement Company Limited	14,000	14,000	3,126	2,318
Maple Leaf Cement Factory Limited	50,000	85,000	23,476	7,164
Oil & Gas Development company limited	47,500	47,500	15,906	10,477
Pakistan Petroleum Limited	60,000	60,000	14,557	10,210
Pakistan State Oil Company Limited	25,000	25,000	8,559	9,438
Poineer Cement Limited	-	2,000	-	456
Fauji Fertilizer Company Limited	-	1,500	-	589
Fauji Cement Company Limited	20,000	20,000	1,151	893
	255,500	262,000	71,301	43,663

6.2 Investment in Government Securities - at fair value through profit or loss

6.2 Investment in Government Securities - at fair value through profit or loss		Face value				Market value as a percentage			
Held by Debt Sub-Fund	Issue date	As at	Purchases during the year	Sales / matured	As at	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Total	Net assets of sub-fund
		July 1, 2025		during the year	June 30, 2026			investments of sub-fund	
----- (Rupees in '000) -----							----- % -----		
6.2.1 Market Treasury Bills									
Treasury Bills-3 Month	29-May-25	200,000	-	200,000	-	-	-	0.00%	0.00%
Treasury Bills-6 Month	06-Mar-25	40,000	-	40,000	-	-	-	0.00%	0.00%
Treasury Bills-3 Month	14-May-26	-	9,500	-	9,500	9,386	9,393	0.85%	0.60%
Treasury Bills-12 Month	02-May-25	2,000	-	2,000	-	-	-	0.00%	0.00%
Treasury Bills-12 Month	06-Feb-25	30,000	-	30,000	-	-	-	0.00%	0.00%
Treasury Bills-3 Month	14-May-26	-	100,000	-	100,000	98,847	98,872	8.95%	6.29%
Treasury Bills-3 Month	30-Apr-26	-	52,000	-	52,000	51,639	51,641	4.68%	3.29%
Treasury Bills-12 Month	12-Jun-25	50,000	-	50,000	-	-	-	0.00%	0.00%
Treasury Bills-1 Month	30-Apr-26	-	20,000	20,000	-	-	-	0.00%	0.00%
Treasury Bills-6 Month	08-Jan-26	-	85,000	-	85,000	84,779	84,786	7.68%	5.39%
Treasury Bills-12 Month	04-Sep-25	-	20,000	-	20,000	19,667	19,601	1.78%	1.25%
Treasury Bills-6 Month	04-Sep-25	-	25,000	25,000	-	-	-	0.00%	0.00%
Treasury Bills-12 Month	02-May-25	-	50,000	50,000	-	-	-	0.00%	0.00%
Treasury Bills-12 Month	17-Apr-25	-	30,000	30,000	-	-	-	0.00%	0.00%
Total as at June 30, 2026		322,000	391,500	447,000	266,500	264,318	264,293	23.94%	16.82%
Total As at June 30, 2025		70,000	2,580,350	2,328,350	322,000	311,500	311,482	31.53%	29.59%
6.2.2 Pakistan Investment Bonds									
Pakistan Investment Bonds - 5 Years	17-Jan-24	100,000	-	-	100,000	107,785	104,948	9.51%	6.68%
Pakistan Investment Bonds - 5 Years	13-Oct-22	75,000	-	-	75,000	74,162	73,992	6.70%	4.71%
Pakistan Investment Bonds - 5 Years	16-Jan-25	50,000	-	-	50,000	51,059	50,378	4.56%	3.20%
Pakistan Investment Bonds - 3 Years	15-Feb-24	194,000	-	-	194,000	202,535	196,632	17.81%	12.51%
Pakistan Investment Bonds - 5 Years	13-Oct-22	-	191,700	-	191,700	189,717	189,119	17.13%	12.03%
Pakistan Investment Bonds - 5 Years	06-May-21	-	100,000	100,000	-	-	-	0.00%	0.00%
Total as at June 30, 2026		419,000	291,700	100,000	610,700	625,258	615,069	55.71%	39.13%
Total As at June 30, 2025		369,000	50,000	-	419,000	391,440	435,541	44.09%	41.39%

6.2.3 Term Finance Certificate and Sukuk Bonds - at fair Value through Profit or loss

Held by Debt Sub-Fund								Market value as	
Name of the Investee Company	Issue date	As at	Purchases during	Sales / Matured	As at	Carrying	Market	a percentage of	
		July 1, 2025	the year	during the year	June 30, 2026	Value as at June 30, 2026	value as at June 30, 2026	Total Investments	Net Assets
Commercial Banks			----- (Number of certificates) -----			----- (Rupees in '000) ---		----- % -----	
Askari Bank Limited	16-Mar-16	30	-	30	-	-	-	0.00%	0.00%
Soneri Bank Limited	25-Dec-18	200	-	-	200	19,984	19,741	1.79%	1.26%
		230	-	30	200	19,984	19,741	1.79%	1.26%

Held by Debt Sub-Fund

Held by Debt Sub-Fund								Market value as a percentage of	
Name of the Investee Company	Issue date	As at July 1, 2025	Purchases 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	Total Investments	Net Assets
Multiutilities		----- (Number of certificates) -----			----- (Rupees in '000) ---		----- % -----		
Lucky Electric Power Company Limited - 130623	13-Jun-23	-			-			-	-
Aspine Pharma (Pvt) Limited	05-Jan-20	90	-	90	-	-	-	0.00%	0.00%
Select Technologies (Pvt) Limited	15-Dec-20	100	-	100	-	-	-	0.00%	0.00%
		190	-	190	-	-	-	0.00%	0.00%
Miscellaneous									
PTCLSC 16	28-Sep-21	-	85.00	85	-	-	-	0.00%	0.00%
PTCLSC16B	08-Jan-22	-	60.00	-	60	60,000	60,000	5.43%	3.82%
GOSTS1	07-Jan-22	-	145.00	-	145	145,000	145,000	13.13%	9.22%
TPL Trakker Limited	29-Mar-17	4	-	4	-	-	-	0.00%	0.00%
		4	290	89	205	205,000	205,000	18.56%	13.04%
Total as at June 30, 2026		424	290	309	405	224,984	224,741	20.35%	14.30%
Total As at June 30, 2025		449	-	25	424	240,194	240,927	24.39%	14.37%

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) -----					
Gas & Oil Pakistan Limited	At Maturity	145,000	6 month KIBOR + 0.40%	January 9, 2030	July 08, 2026
Pakistan Telecommunication Company Limited	At Maturity	60,000	3 month KIBOR	January 09, 2026	July 09, 2026
Soneri Bank Limited	Semi Annually	19,740	6 month KIBOR +1.7%	December 26, 2022	December 26, 2032

6.2.1 Market Treasury Bills

1 Market Treasury Bills		Face value					Market value as a percentage		
Held by Money Market Sub-Fund	Issue date	As at July 1, 2025	Purchases 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	Total investments of sub-fund	Net assets of sub-fund
----- (Rupees in '000) -----								----- % -----	
Treasury Bill - 12 months	22-Aug-24	38,545	-	38,545	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	28-Nov-24	5,000	-	5,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	12-Jun-25	19,000	-	19,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	02-May-25	10,000	-	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	02-May-25	200,000	-	200,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	03-Apr-25	105,000	-	105,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	06-Mar-25	115,000	-	115,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	12-Jun-25	125,000	-	125,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	15-May-25	5,000	-	5,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	17-Apr-25	150,000	-	150,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	20-Mar-25	75,000	-	75,000	-	-	-	0.00%	0.00%

Held by Money Market Sub-Fund	Issue date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage	
		As at July 1, 2025	Purchases during the year	Sales / matured during the year	As at June 30, 2026			Total investments of sub-fund	Net assets of sub-fund
(Rupees in '000)							-----%		
Treasury Bill - 6 months	29-May-25	75,000	-	75,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	03-Oct-24	7,000	-	7,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	05-Sep-24	10,000	-	10,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	12-Dec-24	4,500	-	4,500	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	17-Oct-24	1,500	-	1,500	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	13-Nov-25	-	500,000	500,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	16-Oct-25	-	250,000	250,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	17-Mar-26	-	300,000	300,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	17-Mar-26	-	350,000	350,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	24-Jul-25	-	125,000	125,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	27-Nov-25	-	66,000	66,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	30-Apr-26	-	20,000	20,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	30-Apr-26	-	340,000	340,000	-	-	-	0.00%	0.00%
Treasury Bill - 1 months	30-Apr-26	-	100,000	100,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	02-May-25	-	25,000	25,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	02-Oct-25	-	435,000	435,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	08-Jan-26	-	150,000	150,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	14-May-26	-	300,000		300,000	296,542	296,617	15.70%	13.67%
Treasury Bill - 3 months	15-May-25	-	15,000	15,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	21-May-26	-	150,000		150,000	147,602	147,659	7.82%	6.81%
Treasury Bill - 3 months	24-Jul-25	-	250,000	250,000	-	-	-	0.00%	0.00%
Treasury Bill - 3 months	29-May-25	-	85,000	85,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	06-Feb-26	-	100,000		100,000	99,033	98,872	5.23%	4.56%
Treasury Bill - 6 months	08-Jan-26	-	415,000		415,000	413,921	413,955	21.91%	19.08%
Treasury Bill - 6 months	08-Jan-26	-	200,000		200,000	199,579	199,497	10.56%	9.20%
Treasury Bill - 6 months	10-Jul-25	-	300,000	300,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	10-Jul-25	-	250,000	250,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	19-Feb-25	-	150,000		150,000	147,953	147,659	7.82%	6.81%
Treasury Bill - 6 months	24-Jul-25	-	8,000	8,000	-	-	-	0.00%	0.00%
Treasury Bill - 6 months	30-Apr-26	-	100,000		100,000	96,299	96,320	5.10%	4.44%
Treasury Bill - 12 months	08-Aug-24	-	200,000	200,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	15-May-25	-	50,000	50,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	16-Oct-25	-	233,705		233,705	226,446	226,082	11.97%	10.42%
Treasury Bill - 12 months	17-Apr-25	-	150,000	150,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	17-Apr-25	-	50,000	50,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	25-Jul-24	-	100,000	100,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	25-Jul-24	-	150,000	150,000	-	-	-	0.00%	0.00%
Treasury Bill - 12 months	25-Jul-24	-	50,000	50,000	-	-	-		
Treasury Bill - 12 months	26-Dec-24	-	155,000	155,000	-	-	-		
Treasury Bill - 12 months	31-Oct-24								
Total as at June 30, 2026		945,545	6,122,705	5,419,545	1,648,705	1,627,375	1,626,661	86.11%	74.99%
Total As at June 30, 2025		409,300	5,083,010	4,546,765	945,545	914,708	915,642	100%	59%

6.2.2 Pakistan Investment Bonds

Held by Money Market Sub-Fund	Issue date	Face value						Market value as a percentage	
		As at July 1, 2025	Purchases 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	Total investments of sub-fund	Net assets of sub-fund
		----- (Rupees in '000) -----						----- %- -----	
Pakistan Investment Bonds - 5 Years	06-May-21	-	500,000	500,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 5 Years	06-May-21	-	250,000	250,000	-	-	-	0.00%	0.00%
Pakistan Investment Bonds - 2 Years	20-Sep-24	-	100,000	-	100,000	95,441	97,466	8.83%	6.20%
Pakistan Investment Bonds - 5 Years	21-Oct-20	-	245,000	245,000	-	-	-	0.00%	0.00%
Total as at June 30, 2026		-	1,095,000	995,000	100,000	95,441	97,466	8.83%	6.20%
Total As at June 30, 2025		-	1,420,000	1,051,000	369,000	340,919	342,182	71.45%	37.67%

6.2.3 Term Finance Certificate and Corporate Sukuk Bonds

Issue Details	Issue date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	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				
GOSTS1	08-Jan-26	1,000	-	1,000	165,000	165,000	165,000	8.73%	7.61%
PTCLSC16	29-Sep-25	1,000	1,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2026		2,000	1,000	1,000	165,000	165,000	165,000	8.73%	7.61%
Total As at June 30, 2025		-	-	-	-	-	-	-	-

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) -----					
Gas & Oil Pakistan Limited	At Maturity	165,000	6 month KIBOR + 0.40%	January 9, 2030	July 08, 2026

7 DIVIDEND AND PROFIT RECEIVABLE

Note	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Dividend receivable	628	-	-	628	16	-	-	16
Profit receivable on saving account	44	864	3,409	4,317	616	1,187	3,234	5,037
Profit on Term finance certificates and sukuk bonds	-	10,220	8,951	19,171	-	6,325	-	6,325
Markup on government securities	-	22,530	-	22,530	-	18,153	-	18,153
	672	33,614	12,360	46,646	632	25,665	3,234	29,531

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
8	ADVANCES, DEPOSITS AND OTHER RECEIVABLES	-----Rupees in '000-----				-----Rupees in '000-----			
	Security Deposit with Central Depository Company of Pakistan Limited	100	100	100	300	100	100	100	300
	Security deposit with National Clearing Company of Pakistan Limited	2,500	-	-	2,500	2,500	-	-	2,500
	Advance tax	74	896		1,401	53	314	71	438
	Other Receivables	29	34	46	109	30	33	45	108
		<u>2,703</u>	<u>1,030</u>	<u>577</u>	<u>4,310</u>	<u>2,683</u>	<u>447</u>	<u>216</u>	<u>3,346</u>

8.1 The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of second schedule to the income Tax Ordinance, 2001. Further, the Fund is exempt 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 Pension Fund Manager is confident that the same shall be refunded after filing refund application.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
9	PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER	-----Rupees in '000-----				-----Rupees in '000-----			
	Remuneration payable	465	1,449	1,708	3,622	184	1,012	1,433	2,629
	Sindh Sales Tax payable	70	217	256	543	28	152	215	395
		<u>535</u>	<u>1,666</u>	<u>1,964</u>	<u>4165</u>	<u>212</u>	<u>1,164</u>	<u>1,648</u>	<u>3,024</u>

9.1 As per Rule 67F of the NBFC Regulations, 2008, Pension Fund Manager may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document, further subject to the guidelines as may be issued by the Commission from time to time.

Based on offering document, the fee is being charged at the rate of 1.5% of the average annual net assets accordingly. The fee is payable monthly in arrears.

9.2 The Sindh Sales Tax (SST) is charged at the rate of 15% (2025: 15%) on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act, 2011.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
10.	PAYABLE TO THE CENTRAL DEPOSITORY OF PAKISTAN LIMITED - TRUSTEE	-----Rupees in '000-----				-----Rupees in '000-----			
	Remuneration payable	50	134	182	366	22	104	147	273
	Sindh Sales Tax Payable	7	20	27	54	3	16	22	41
		<u>57</u>	<u>154</u>	<u>209</u>	<u>420</u>	<u>25</u>	<u>120</u>	<u>169</u>	<u>314</u>

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified there in, based on the daily Net Asset Value (NAV) of the Fund. The remuneration is paid to the trustee monthly in arrears.

Based on the Trust Deed, the tariff structure applicable to the Fund as at June 30, 2026 is as follows:

Net assets	Tariff per annum
Up to Rs. 1,000 million	Rs. 0.3 million or 0.15% of NAV, whichever is higher
Exceeding Rs. 1,000 million up to Rs. 3,000 million	Rs. 1.5 million plus 0.10% of NAV exceeding Rs. 1,000 million
Exceeding Rs. 3,000 million up to Rs. 6,000 million	Rs. 3.5 million plus 0.08% of NAV exceeding Rs. 3,000 million
Exceeding Rs. 6,000 million	Rs. 5.9 million plus 0.06% of NAV exceeding Rs. 6,000 million

10.2 The Sindh Government has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2025: 15%) on the remuneration of the Pension Fund Manager through Sindh Sales Tax on Services Act, 2011.

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----				-----Rupees in '000-----			
11. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN								
Annual fee payable	160	561	688	1,409	64	391	498	953
	160	561	688	1,409	64	391	498	953

11.1 This represents annual fee payable to Securities and Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one twenty-fifth of 1% (June 30, 2025: one ne twenty-fifth of 1%) of average annual net asset value of each of the sub-fund.

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	-----Rupees in '000-----				-----Rupees in '000-----			
12. ACCRUED EXPENSES AND OTHER LIABILITIES								
Auditors' remuneration	176	90	169	435	126	73	149	348
Payable against redemption of units	-	-	-	-	350	-	-	350
Payable against conversion of units	1,260	-	-	1,260	-	-	-	-
Payable to National Clearing Company of Pakistan	43	-	-	43	31	-	-	31
Payable to Asset Management Company	-	-	-	-	2,500	-	-	2,500
Federal Excise Duty Payable on Remuneration of - Pension Fund Manager	763	878	835	2,476	763	878	835	2,476
Withholding Tax Payable	17	22	41	80	18	14	86	118
Brokerage Payable	652	3	16	671	582	2	5	589
Sales Load Payable to Pension Fund Manager	61	81	396	538	38	77	369	484
Others	183	158	97	438	136	10	26	172
	3,155	1,232	1,554	5,941	4,544	1,054	1,470	7,068

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 Pension Fund Manager has been applied effective from June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the MUFAP along-with CDC with the Sindh High Court (SHC) on September 04, 2013. While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The Finance Act, 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision was charged during the year ended June 30, 2026.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 (2025 : Nil)

14 CONTRIBUTION TABLE

Contribution received during the year is as follows:

Contribution received during the year is as follows:		June 30, 2026						
From:	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees in '000	Units	Rupees in '000	n Rupees in '000	Units	Rupees in '000	
Individuals	538,636,609	745,707	2,685,626	1,139,720	1,435,458	543,157,137	3,320,885	

		June 30, 2025						
From:	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total	
	Units	Rupees in '000	Units	Rupees in '000	n Rupees in '000	Units	Rupees in '000	
Individuals	548,380	581,947	3,540,426	1,571,901	2,169,375	9,916,405	4,323,223	

15. NUMBER OF UNITS IN ISSUE

Total units in issue at the beginning of the year	287,683	2,593,895	4,557,888	7,439,466	188,020	2,667,461	3,518,606	6,374,087
Add: Units issued during the year	538,636,609	2,685,626	1,834,902	543,157,137	404,722	2,609,247	2,454,563	5,468,532
Less: units redeemed during the year	(538,375,913)	(1,739,092)	(565,191)	(540,680,196)	(305,059)	(2,682,813)	(1,415,281)	(4,403,153)
Total units in issue at the end of the year	548,379	3,540,429	5,827,599	9,916,407	287,683	2,593,895	4,557,888	7,439,466

16. AUDITORS' REMUNERATION

Statutory audit fee	78	211	292	581	76	162	225	463
Out of pocket expenses	8	21	29	58	8	16	23	47
Sales tax	7	19	26	52	6	13	18	37
	93	251	347	691	90	191	266	547

17. TAXATION

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

18. FINANCIAL INSTRUMENTS BY CATEGORY

Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total

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

Financial assets									
Balances with banks	-	3,832	3,832	-	436,767	436,767	-	271,727	271,727
Investments	578,646	-	578,646	1,104,103	-	1,104,103	1,889,127	-	1,889,127
Dividend and profit receivable	-	672	672	-	33,614	33,614	-	12,360	12,360
Receivable Against issuance of Units	-	-	-	-	-	-	-	-	-
Advance Deposits and other receivable	-	2,703	2,703	-	1,030	1,030	-	577	577
	578,646	7,207	585,853	1,104,103	471,411	1,575,514	1,889,127	284,664	2,173,791

Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	465	465	-	1,449	1,449	-	1,708	1,708
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	50	50	-	134	134	-	182	182
Payable against Purchase of Securities	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	3,155	3,155	-	1,232	1,232	-	1,554	1,554
	-	3,670	3,670	-	2,815	2,815	-	3,444	3,444

June 30, 2025									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Bank balances	-	5,464	5,464	-	41,029	41,029	-	634,277	634,277
Investments	231,980	-	231,980	987,950	-	987,950	915,642	-	915,642
Dividend and profit receivable	-	632	632	-	25,665	25,665	-	3,234	3,234
Payable against issuance of Securities	-	-	-	-	-	-	-	-	-
Advance Deposits and other receivable	-	2,683	2,683	-	447	447	-	217	217
	231,980	8,779	240,759	987,950	67,141	1,055,091	915,642	637,728	1,553,370
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	184	184	-	1,012	1,012	-	1,433	1,433
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	22	22	-	104	104	-	147	147
Payable against Purchase of Securities	-	2,861	2,861	-	-	-	-	-	-
Accrued expenses and other liabilities	-	4,544	4,544	-	1,054	1,054	-	1,470	1,470
	-	7,611	7,611	-	2,170	2,170	-	3,050	3,050

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	465	465	-	1,449	1,449	-	1,708	1,708
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	50	50	-	134	134	-	182	182
Payable against Purchase of Securities	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	3,155	3,155	-	1,232	1,232	-	1,554	1,554
	-	3,670	3,670	-	2,815	2,815	-	3,444	3,444

June 30, 2025									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Bank balances	-	5,464	5,464	-	41,029	41,029	-	634,277	634,277
Investments	231,980	-	231,980	987,950	-	987,950	915,642	-	915,642
Dividend and profit receivable	-	632	632	-	25,665	25,665	-	3,234	3,234
Payable against issuance of Securities	-	-	-	-	-	-	-	-	-
Advance Deposits and other receivable	-	2,683	2,683	-	447	447	-	217	217
	231,980	8,779	240,759	987,950	67,141	1,055,091	915,642	637,728	1,553,370
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	184	184	-	1,012	1,012	-	1,433	1,433
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	22	22	-	104	104	-	147	147
Payable against Purchase of Securities	-	2,861	2,861	-	-	-	-	-	-
Accrued expenses and other liabilities	-	4,544	4,544	-	1,054	1,054	-	1,470	1,470
	-	7,611	7,611	-	2,170	2,170	-	3,050	3,050

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	465	465	-	1,449	1,449	-	1,708	1,708
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	50	50	-	134	134	-	182	182
Payable against Purchase of Securities	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	3,155	3,155	-	1,232	1,232	-	1,554	1,554
	-	3,670	3,670	-	2,815	2,815	-	3,444	3,444

June 30, 2025									
Particular	Equity Sub-Fund			Debt Sub-Fund			Money Market Sub-Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----									
Financial assets									
Bank balances	-	5,464	5,464	-	41,029	41,029	-	634,277	634,277
Investments	231,980	-	231,980	987,950	-	987,950	915,642	-	915,642
Dividend and profit receivable	-	632	632	-	25,665	25,665	-	3,234	3,234
Payable against issuance of Securities	-	-	-	-	-	-	-	-	-
Advance Deposits and other receivable	-	2,683	2,683	-	447	447	-	217	217
	231,980	8,779	240,759	987,950	67,141	1,055,091	915,642	637,728	1,553,370
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	184	184	-	1,012	1,012	-	1,433	1,433
Payable to the Central Depository Company of Pakistan Limited - Trustee	-	22	22	-	104	104	-	147	147
Payable against Purchase of Securities	-	2,861	2,861	-	-	-	-	-	-
Accrued expenses and other liabilities	-	4,544	4,544	-	1,054	1,054	-	1,470	1,470
	-	7,611	7,611	-	2,170	2,170	-	3,050	3,050

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

19.1 Transactions during the year

	30-Jun-26				30-Jun-25			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
HBL Asset Management Limited - Pension Fund Manager								
Management fee including sales tax	4,591	18,739	19,998	243,328	1,838	12,975	16,419	31,232
Habib Bank Limited - Sponsor								
Bank charges	60	80	82	222	75	90	87	252
Profit on bank deposits earned	668	5,986	13,534	20,188	2,070	6,844	15,081	23,995
Purchase of Pakistan Investment Bond	-	-	-	-	-	-	-	-
Sale of Pakistan Investment Bond	-	-	-	-	-	-	-	-
Purchase of T-Bills	-	281,255	1,805,125	2,086,380	-	69,734	603,030	672,764
Sale of T-Bills	-	-	237,297	237,297	-	649,203	834,862	1,484,065
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Issuance of units	Units 6,227	18,024	21,285	45,536	594	48	-	642
Amount of units issued	5,761	6,471	7,513	19,745	320	18	-	338
Redemption of Units Issued	Units 17,595	4,090	8,328	30,013	47	779	810	1,636
Amount of units redeemed	14,580	1,763	2,993	19,336	68	304	265	637
Central Depository Company of Pakistan - Trustee								
Trustee's Remuneration including Sindh Sales Tax thereon	508	1,581	1,969	4,058	220	1,347	1,710	3,277
Central Depository System charges	-	-	-	-	27	7	7	41
CDC Trustee HBL Money Market Fund - Under Common Management								
Sale of T Bills	-	-	-	-	-	48,600	155,468	204,068
CDC Trustee HBL Government Securities Fund - Under Common Management								
Sale of Pakistan Investment Bond	-	-	-	-	-	-	-	-
Sale of T Bills	-	-	-	-	-	8,989	96,121	105,110
CDC Trustee HBL Financial Sector Income Fund Plan I - Under Common Management								
Sale of Pakistan Investment Bond	-	-	-	-	-	-	8,765	8,765
CDC Trustee HBL Cash Fund - Under Common Management								
Sale of T Bills	-	-	-	-	-	-	5,275	5,275

19.2 Balances outstanding as at year end

HBL Asset Management Limited - Pension Fund Manager

Management fee payable
Sindh Sales Tax payable
Other payable

	30-Jun-26				30-Jun-25			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
	465	1,449	1,708	3,622	184	1,012	1,433	2,629
	70	217	256	543	28	152	215	395
	-	-	-	-	2,500	-	-	2,500

Habib Bank Limited - Sponsor

Bank balances

	1,242	420,322	267,572	689,136	2,054	32,160	632,880	667,094
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Directors and Executives of the Pension Fund Manager and their relatives

Directors and their relatives

Units held
Amount of units held

Number	11,683	64,170	30,334	106,187	23,051	50,236	17,377	90,664
	9,855	25,089	10,428	45,372	18,674	20,381	5,908	44,963

Central Depository Company of Pakistan Limited - Trustee

Remuneration payable including sales tax
Security Deposit receivable

	57	154	209	420	-	-	-	-
	100	100	100	300	100	100	100	300

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 Board of Directors (the Board) of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Pension Fund Manager, Fund's constitutive documents and the regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

20.1 Market risk

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

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee. The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

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

20.1.1 Currency risk

This 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 its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistan Rupees.

20.1.2 Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the year would have increased / (decreased) by Rs. 0.0546M, 0.41029M and 6.3427Million for Equity sub-fund, Debt sub-fund and Money market sub-fund , had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

The Fund investment in Treasury Bills , Corporate Sukuks /TFC bonds, Pakistan investment bonds and Listed equity securities expose it to the fair value interest rate risk.

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-statement of financial position financial instruments is based on the earlier of contractual repricing or maturity date and for off-statement of financial position instruments is based on the settlement date

Particulars	Effective yield / interest rate	June 30, 2026												Total
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		
%		Rupees in '000												

On-balance sheet financial instruments

Financial assets

Bank balances	8% - 11.50%	3,832	-	-	-	436,767	-	-	-	271,727	-	-	-	712,326
Investments - net		578,646	-	-	-	264,293	-	839,810	-	1,889,127	-	-	1,889,127	5,461,003
Dividend and profit receivable		-	-	-	672	-	-	-	33,614	-	-	-	12,360	46,646
Advance Deposits and other receivable		-	-	-	2,703	-	-	-	1,030	577	-	-	577	4,887
Sub total		582,478	-	-	3,375	701,060	-	839,810	34,644	2,161,431	-	-	1,902,064	6,224,862

Financial liabilities

Payable to HBL Asset Management Limited - Pension Fund Manager		-	-	-	465	-	-	-	1,449	-	-	-	1,708	3,622
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	50	-	-	-	134	-	-	-	182	366
Accrued expenses and other liabilities		-	-	-	3,155	-	-	-	1,232	-	-	-	1,554	5,941
		-	-	-	3,670	-	-	-	2,815	-	-	-	3,444	9,929

On-balance sheet gap (a)		582,478	-	-	(295)	701,060	-	839,810	31,829	2,161,431	-	-	1,898,620	6,214,933
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Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-
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Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-
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Particulars	Effective yield / interest rate	June 30, 2025												Total
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	Exposed to yield / interest rate risk			Not exposed to yield / Interest rate risk	
		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		Upto three months	More than three months and upto one year	More than one year		
%		Rupees in '000												

On-balance sheet financial instruments

Financial assets

Bank balances	9% - 21.15%	5,464	-	-	-	41,029	-	-	-	634,277	-	-	-	680,770
Investments - net		231,980	-	-	-	311,482	-	676,468	-	915,642	-	-	915,642	3,051,214
Dividend and profit receivable		-	-	-	632	-	-	-	25,665	-	-	-	3,234	29,531
Receivable against Issuance of Units		-	-	-	-	-	-	-	-	-	-	-	-	-
Advance and deposits		-	-	-	2,683	-	-	-	447	217	-	-	217	3,564
		237,444	-	-	3,315	352,511	-	676,468	26,112	1,550,136	-	-	919,093	3,765,079

Financial liabilities

Payable to HBL Asset Management Limited - Pension Fund Manager		-	-	-	184	-	-	-	1,012	-	-	-	1,433	2,629
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	22	-	-	-	104	-	-	-	147	273
Payable against purchase of securities -		-	-	-	2,861	-	-	-	-	-	-	-	-	2,861
Accrued expenses and other liabilities -		-	-	-	4,544	-	-	-	1,054	-	-	-	1,470	7,068
		-	-	-	7,611	-	-	-	2,170	-	-	-	3,050	12,831
On-balance sheet gap (a)		237,444	-	-	(4,296)	352,511	-	676,468	23,942	1,550,136	-	-	916,043	3,752,248
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-	-	-	-	-	-	-	-	-

20.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, The Fund's investment in corporate sukuk bonds exposes to price risk.

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in corporate Sukuk/TFC bonds, and bank deposit. Risks attributable to investments in Market Treasury Bills, Pakistan Investment Bonds are limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating. The risk of default is considered minimal due to interest systematic measures taken therein.

20.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2026.

-----2026-----					
Banks	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2026	Rating agency
-----Rupees in '000-----					
HABIB BANK LIMITED	1,242	420,322	267,572	A-1+	VIS
FAYSAL BANK LIMITED	39	-	19	A-1+	VIS
DUBAI ISLAMIC BANK	-	-	16	A-1+	VIS
ALLIED BANK LIMITED	-	19	18	A-1+	PACRA
SONERI BANK LIMITED	2,499	311	-	A-1+	PACRA
BANK ALFALAH	45	261	97	A-1+	PACRA
HBL MICRO-FINANCE BANK	-	6,655	-	A-1	VIS
U MICRO-FINANCE BANK	-	340	-	A-1	VIS
UNITED BANK LIMITED	-	8,830	3,936	A-1+	VIS
NATIONAL BANK OF PAKISTAN	-	10	-	A-1+	VIS
KHUSHHALI MICROFINANCE BANK LIMITED	-	18	-	A-2	VIS
ASKARI BANK LIMITED	-	-	14	A-1+	PACRA
BANK AL HABIB LIMITED	-	1	41	A-1+	PACRA
MCB BANK	-	-	12	A-1+	PACRA
SINDH BANK	-	-	1	A-1+	VIS
JS BANK	6	-	-	A-1+	PACRA
	<u>3,831</u>	<u>436,767</u>	<u>271,726</u>		

-----2025-----					
Banks	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2025	Rating agency
-----Rupees in '000-----					
HABIB BANK LIMITED	2,054	32,160	632,880	A-1+	VIS
FAYSAL BANK LIMITED	39	-	19	A-1+	VIS
DUBAI ISLAMIC BANK	-	-	16	A-1+	VIS
ZARAI TARAQIATI BANK LIMITED	-	-	-	A-1+	VIS
ALLIED BANK LIMITED	-	19	18	A-1+	PACRA
SONERI BANK LIMITED	3,320	1,030	-	A-1+	PACRA
BANK ALFALAH	45	5,769	1,276	A-1+	PACRA
HBL MICRO-FINANCE BANK	-	1,683	-	A-1	VIS
U MICRO-FINANCE BANK	-	340	-	A-1	VIS
NATIONAL BANK OF PAKISTAN	-	10	-	A-1+	VIS
KHUSHHALI MICROFINANCE BANK LIMITED	-	18	-	A-2	VIS
ASKARI BANK LIMITED	-	-	14	A-1+	PACRA
BANK AL HABIB LIMITED	-	1	41	A-1+	PACRA

Banks	2025				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2025	Rating agency
	Rupees in '000				
MCB BANK	-	-	12	A-1+	PACRA
SINDH BANK	-	-	1	A-1+	VIS
JS BANK	6	-	-	A-1+	PACRA
	5,464	41,030	634,277		

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

Rating by rating category	2026	2025
A-1+	99.02%	99.70%
A-1	0.98%	0.30%
A-2	0.003%	0.003%

There is no exposure other than bank balance as disclosed above as at June 30, 2026.

Concentration of credit risk

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

20.3 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. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager'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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. 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 net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

The table below summarizes 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 period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	EquitySub-Fund			DebtSub-Fund			Money Market Sub-Fund		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
----- Rupees in '000 -----									
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	465	-	-	1,449	-	-	1,708	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	50	-	-	134	-	-	182	-	-
Accrued expenses and other liabilities	3,155	-	-	1,232	-	-	1,554	-	-
Total Liabilities	3,670	-	-	2,815	-	-	3,444	-	-

June 30, 2025									
Particulars	EquitySub-Fund			DebtSub-Fund			Money Market Sub-Fund		
	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year	Upto three months	More than three months and upto one year	Over one year
----- Rupees in '000 -----									
Financial liabilities									
Payable to the HBL Asset Management Limited - Pension Fund Manager	184	-	-	1,012	-	-	1,433	-	-
Payable to the Central Depository Company of Pakistan Limited - Trustee	22	-	-	104	-	-	147	-	-
Accrued expenses and other liabilities	4,544	-	-	1,054	-	-	1,470	-	-
Total Liabilities	4,750	-	-	2,170	-	-	3,050	-	-

21 PARTICIPANTS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders 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 unitholders' fund. Unitholders fund risk management is carried out by the Pension Fund Manager 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 unitholders;
- 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 Pension Fund Manager 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.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying 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 period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

June 30, 2026				
Fair value				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	578,646	-	-	578,646
Debt Sub-Fund				
Investment in debt securities	-	1,104,103	-	1,104,103
Money Market Sub-Fund				
Investment in debt securities	-	1,889,127	-	1,889,127
	578,646	2,993,230	-	3,571,876

June 30, 2025				
Fair value				
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	231,980	-	-	231,980
Debt Sub-Fund				
Government Secuirty-T Bills	-	987,950	-	987,950
Money Market Sub-Fund				
Government Secuirty-T Bills	-	915,642	-	915,642
	231,980	1,903,592	-	2,135,572

22.1 No transfers were made between various levels of fair value hierarchy during the year.

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	Chief Risk Officer	MBA	34
4	Sunny Kumar	Head of Equities	B. Com	8
5	Hammad Ali Abbas	Senior Fund Manager	MSC	22
6	Wasim Akram	Senior Fund Manager	MBA	22
7	Nida Siddiqui	Assistant Fund Manager	MBA	1

24. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

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			Meeting 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	121th Meeting
6	Mr. Tariq Masaud	9	8	1	116th Meeting 114h Meeting,
7	Mr. Abrar Ahmed Mir	9	4	5	116th Meeting, 117th Meeting, 118th 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	-	-

25. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the year ended June 30, 2026 is 2.13%, 1.54% and 1.40% (June 30, 2025: 2.56%, 1.54% and 1.52%) respectively which includes 0.28%, 0.23% and 0.21% (June 30, 2025: 0.33%, 0.24% and 0.24%) respectively representing Government levy and SECP fee.

26. 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.

27. GENERAL

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

28. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on **August 27, 2026** by the Board of Directors of the Pension Fund Manager.

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

Chief Financial Officer

Chief Executive Officer

Director



Islamic Pension Fund

FUND INFORMATION

NAME OF FUND	HBL Islamic Pension 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 Faysal Bank Limited Bank Islami Pakistan Limited Soneri Bank Limited Bank Al Habib Limited Meezan Bank Limited Dubai Islamic Bank National Bank of Pakistan Allied Bank Limited Habib Metropolitan Bank Limited Al Baraka Bank Limited UBL Ameen Limited Bank Al Falah Limited

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	
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 Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

HBL KPK ISLAMIC PENSION FUND

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL KPK Islamic Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

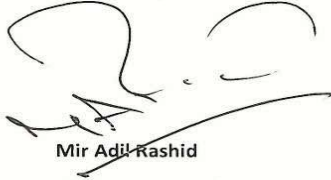
Karachi, September 30, 2026





STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Islamic Pension 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



AHSA/SSR/HBLAMC/HBLIPF/641

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 Pension Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Pension Fund booked charity amounting to PKR 1,166,675/-.

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

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

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



Mufti Irshad Ahmad Aijaz
Member Shariah Council



Faraz Younus Bandukda, CFA
Chief Executive



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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS OF HBL ISLAMIC PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Islamic Pension 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 participants' sub funds 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.

Information other than the Financial Statements and Auditor's Report thereon

The Pension Fund Manager ("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 Pension Fund Manager and Board of Directors of the Pension Fund Manager

The Pension Fund Manager of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.
- Conclude on the appropriateness of the Pension Fund Manager'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 Pension Fund Manager 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 Pension Fund Manager 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 Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Voluntary Pension System Rules, 2005.

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

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166uFOmwReNT


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL Islamic Pension Fund
Condensed Interim Statement Of Assets And Liabilities
AS AT JUNE 30, 2026

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total
ASSETS	Note	----- (Rupees in '000) -----							
Balances with banks	5	22,156	440,915	742,168	1,205,239	17,946	98,727	248,438	365,111
Investments	6	643,946	331,261	693,898	1,669,105	343,516	426,957	875,496	1,645,969
Dividend and profit receivable	7	204	14,271	16,588	31,063	47	9,598	8,699	18,344
Advances, deposits and other receivables	8	2,735	337	454	3,526	2,733	351	455	3,539
TOTAL ASSETS		669,041	786,784	1,453,108	2,908,933	364,242	535,633	1,133,088	2,032,963
LIABILITIES									
Payable to HBL Asset Management Limited - Pension Fund Manager	9	569	541	994	2,104	322	367	721	1,411
Payable to Central Depository Company of Pakistan Limited - Trustee	10	67	85	156	308	40	62	122	224
Payable to the Securities and Exchange Commission of Pakistan	11	192	261	497	950	99	177	337	613
Accrued expenses and other liabilities	12	19,993	744	868	21,605	17,579	912	632	19,123
TOTAL LIABILITIES		20,821	1,631	2,515	24,967	18,040	1,518	1,812	21,370
NET ASSETS		648,220	785,153	1,450,593	2,883,966	346,202	534,115	1,131,276	2,011,593
PARTICIPANTS' SUB-FUNDS (as per statement attached)		648,220	785,153	1,450,593	2,883,966	346,202	534,115	1,131,276	2,011,593
CONTINGENCIES AND COMMITMENTS	13	----- Units -----							
NUMBER OF UNITS IN ISSUE	14	526,163	2,301,343	4,488,675	7,316,181	370,972	1,708,486	3,814,213	5,893,671
NET ASSET VALUE PER UNIT		----- Rupees -----							
		1,231.9734	341.1714	323.1671		933.2287	312.6248	296.5948	

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 Pension Fund
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2026

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total
INCOME	Note	----- (Rupees in '000) -----							
Capital gain on sale of investments		50,857	(3)	(34)	50,820	36,356	2,134	778	39,269
Dividend income		16,230	-	-	16,230	13,437	-	-	13,437
Profit on bank deposits		489	21,929	33,465	55,883	1,623	18,024	19,631	39,279
Markup / return on investments		-	49,295	94,154	143,449	-	44,677	94,063	138,740
Unrealised appreciation / (diminution) on re-measurement of investments classified 'as financial assets 'at fair value through profit or loss' - net		67,335	(7,310)	(7,030)	52,995	66,939	8,736	3,950	79,624
TOTAL INCOME		134,911	63,911	120,555	319,377	118,355	73,571	118,422	310,348
EXPENSES									
Remuneration of HBL Asset Management Limited									
- Pension Fund Manager	9.1	4,792	4,719	8,929	18,440	2,481	3,177	6,044	11,702
Sindh Sales Tax on remuneration of the - Pension Fund Manager	9.2	719	708	1,339	2,766	372	476	907	1,756
Remuneration of Central Depository Company of Pakistan Limited - Trustee	10.1	579	687	1,506	2,772	345	589	1,118	2,053
Sindh Sales Tax on remuneration of the Trustee	10.2	86	104	225	415	51	89	167	308
Annual fee to the Securities and Exchange Commission of Pakistan	11	192	261	497	950	99	177	337	614
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services		-	-	-	-	-	191	347	537
Auditor's remuneration	15	156	189	349	694	90	130	91	310
Settlement,bank charges and others		31	254	626	910	150	48	139	337
Charity expense		-	-	-	-	2,575	-	-	2,575
Security transaction cost		2,867	-	2	2,869	1,693	1	1	1,695
Provision for debt security	6.1.3.2	-	544	-	544	-	544	-	544
TOTAL EXPENSES		9,422	7,467	13,473	30,360	7,856	5,422	9,151	22,429
Net income for the year before taxation		125,489	56,444	107,082	289,017	110,499	68,149	109,271	287,919
Taxation	16	-	-	-	-	-	-	-	-
Net income for the year		125,489	56,444	107,082	289,017	110,499	68,149	109,271	287,919

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
63

Director

HBL Islamic Pension Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total
	----- (Rupees in '000) -----							
Net income for the year	125,489	56,444	107,082	289,015	110,499	68,149	109,271	287,919
Other comprehensive income for the year:	-	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>125,489</u>	<u>56,444</u>	<u>107,082</u>	<u>289,015</u>	<u>110,499</u>	<u>68,149</u>	<u>109,271</u>	<u>287,919</u>

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
64

Director

HBL Islamic Pension Fund
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market	Total
	(Rupees in '000)							
Net assets at beginning of the year	346,202	534,115	1,131,276	2,011,593	166,196	366,417	649,334	1,181,947
Amount received on issuance of units	508,639	522,850	777,211	1,808,700	320,573	395,058	915,819	1,631,450
Amount paid on redemption of units	(332,112)	(328,801)	(564,976)	(1,225,889)	(251,066)	(295,509)	(543,148)	(1,089,723)
	176,527	194,049	212,235	582,811	69,507	99,549	372,671	541,727
Capital gain on sale of investments	50,857	(3)	(34)	50,820	36,356	2,134	778	39,268
Unrealised gain on revaluation of investments classified as 'at fair value through profit or loss'	67,335	(7,310)	(7,030)	52,995	66,939	8,736	3,950	79,625
Other net income for the year	7,299	64,303	114,146	185,748	7,204	57,279	104,543	169,026
	125,491	56,990	107,082	289,563	110,499	68,149	109,271	287,919
Net assets at end of the year	648,220	785,153	1,450,593	2,883,966	346,202	534,115	1,131,276	2,011,593

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 Pension Fund
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Fund	Total
Note	----- (Rupees in '000) -----							
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income for the year before taxation	125,489	56,444	107,082	289,015	110,499	68,149	109,271	287,919
Adjustments for:								
Profit on bank deposits	(489)	(21,929)	(33,465)	(55,882)	(1,623)	(18,024)	(19,631)	(39,278)
Markup / return on investments	-	(49,295)	(94,154)	(143,448)	-	(44,677)	(94,063)	(138,740)
Dividend income	(16,230)	-	-	(16,230)	(13,437)	-	-	(13,437)
Capital (gain) on sale of investments	(50,857)	3	34	(50,820)	(36,356)	(2,134)	(778)	(39,268)
Unrealised (appreciation) on re-measurement of investments classified 'as 'at fair value through profit or loss'	(67,335)	7,310	7,030	(52,995)	(66,939)	(8,736)	(3,950)	(79,625)
	(9,422)	(7,465)	(13,473)	(30,361)	(7,856)	(5,422)	(9,151)	(22,429)
(Increase) / decrease in assets								
Investments	(182,238)	88,926	174,534	81,222	(76,347)	(231,499)	(687,510)	(60,164)
Advances, deposits and other receivables	(2)	14	1	13	-	110	-	2,446
	(182,240)	88,940	174,535	81,236	(76,347)	(231,389)	(687,510)	(995,246)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	247	174	273	694	173	131	313	617
Payable to Central Depository Company of Pakistan Limited - Trustee	27	23	34	84	19	15	40	74
Payable to the Securities and Exchange Commission of Pakistan	93	84	160	336	55	56	177	289
Accrued expenses and other liabilities	2,414	(168)	236	2,482	12,145	(923)	(986)	10,236
	2,781	114	703	3,598	12,392	(721)	(456)	11,215
Cash (used in) / generated from operations	(188,881)	81,589	161,765	54,473	(71,811)	(237,532)	(697,117)	(1,006,460)
Profit received on bank deposits	413	18,676	28,980	48,069	1,682	18,862	26,959	47,503
Dividend received	16,150	-	-	16,150	13,442	-	-	13,442
Markup received on investment	-	47,874	90,750	138,624	-	39,766	90,395	130,161
	16,563	66,550	119,730	202,843	15,124	58,628	117,354	191,106
Net cash flows (used in) / generated from operating activities	(172,318)	148,139	281,495	257,316	(56,687)	(178,904)	(579,763)	(815,354)
CASH FLOWS FROM FINANCING ACTIVITIES								
Amount received on issuance of units	508,639	522,850	777,211	1,808,701	320,573	395,058	915,819	1,631,450
Amount paid on redemption of units	(332,112)	(328,801)	(564,976)	(1,225,889)	(251,066)	(295,509)	(543,148)	(1,089,723)
Re-allocation among funds	-	-	-	-	-	-	-	-
Net cash generated from / (used in) financing activities	176,527	194,050	212,235	582,812	69,507	99,549	372,671	541,727
Net (decrease) / increase in cash and cash equivalents	4,209	342,189	493,731	840,128	12,820	(79,355)	(207,092)	(273,627)
Cash and cash equivalents at the beginning of the year	17,946	98,727	248,438	365,111	5,126	178,082	455,530	638,738
Cash and cash equivalents at the end of the year	22,156	440,915	742,168	1,205,239	17,946	98,727	248,438	365,111

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
66

Director

HBL Islamic Pension Fund
Notes To The Financial Information
FOR THE YEAR ENDED JUNE 30, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Islamic Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager (the Pension Fund Manager) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011. The Fund is registered on September 08, 2021.
- 1.2** The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. The above-mentioned Trust Deed had been registered under the Sindh Trust Act.
- 1.3** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.4** The Fund is an unlisted open end pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.5** The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Al-Hilal Shariah Advisors (Private) Limited as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.
- 1.6** The Fund consists of three sub-funds namely, HBL Islamic Pension Fund - Equity Sub-Fund, HBL Islamic Pension Fund - Debt Sub-Fund and HBL Islamic Pension Fund - Money Market Sub-Fund (collectively the "Sub-Funds"). The investment policy for each of the sub-funds is as follows:
- The Equity Sub-Fund consists of a minimum 90% of net assets invested in Shariah compliant listed equity securities. Investment in a single company is restricted to lower of 15% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 35% of NAV or index weight, subject to a maximum of 40% of NAV. Remaining assets of the Equity Sub-Fund may be invested in any government security having less than one year time to maturity, or be deposited with Islamic commercial banks or Islamic window of a commercial bank having at least 'A' rating. Composition of the remaining portion of the investments shall be as defined in the offering document.
 - The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. In case the Shariah compliant securities issued by Federal Government are not available to comply with above, the assets of a Shariah compliant debt sub-fund may be deposited in Islamic commercial banks, having not less than "A+" rating or Islamic window of commercial banks, having not less than "AA" rating, or may be invested in Islamic bonds or Sukuks issued by entities wholly-owned by the Federal Government or in such Islamic securities which are fully guaranteed by the Federal Government. Composition of the remaining portion of the investments shall be as defined in the offering document.
 - The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. Time to maturity of any assets in the portfolio shall not exceed six months except in the case of Shariah Compliant Government Securities which may be upto 5 years. There is no restriction on the amount of investment in securities issued by Federal Government and Islamic windows of commercial banks having 'AA' rating provided that deposits with one bank shall not exceed 15% of net assets of Money Market Sub-Fund. Composition of the remaining shall be in proportion as defined in offering document.
- 1.7** The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.
- 1.8** VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable Outlook)' as at December 31, 2025 to the Pension Fund Manager while the fund is not currently rated.
- 1.9** Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. 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;
- Provisions of, directives and notifications issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (The VPS Rules), Voluntary Pension System Part V of Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values.

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.

- a) Classification and valuation of financial assets
- b) Provisions

Note
4.2
4.3

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

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.

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability

**Effective date
(annual periods
beginning on or after)**

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
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 principal accounting policies applied in the preparation of these financial statements are set out below.

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).

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; a
- 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.

Equity Instruments

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. An equity instrument held for trading purposes or in which FVOCI election is not taken is classified as measured at FVTPL. Given the objectives of the Fund, all investments have been classified as FVTPL.

Equity instruments at FVOCI

These assets are subsequently measured at their fair values. Gain/loss on remeasurement are recognised in other comprehensive income and are never recycled to income statement. Dividends are recognised in income statement when the right of the payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Equity investments at FVTPL

These assets are subsequently measured at fair value. Dividends are recognised as income in income statement unless the dividend clearly represents a recovery of part of the cost of the investment.

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 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 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.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. 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.

4.2.5 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.

Regular way purchase/sale of financial assets

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.

4.2.6 Financial liabilities

The Fund measures its financial liabilities at amortised cost (AC) 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.

4.2.7 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 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 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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

4.5 Distributions

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Pension Fund Manager. 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 Pension Fund Manager.

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.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the applications received by the distributors / Pension Fund Manager 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 Pension Fund Manager.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Pension Fund Manager 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, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 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.

4.8 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 circulation as at the year end.

4.9 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.

4.10 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 debt securities is recognized on a time proportion basis using 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 included in the income statement in the period in which they arise.
- Profit on balances with banks is recognised on time proportion basis.

4.11 Expenses

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

4.12 Distributions

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Pension Fund Manager. 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 Pension Fund Manager.

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.

		June 30, 2026				June 30, 2025			
		Equity	Debt	Money Market Sub-Fund	Total	Equity	Debt	Money Market Sub-Fund	Total
5. BALANCES WITH BANKS	Note	----- (Rupees in '000) -----							
Saving accounts	5.1	22,156	440,915	742,168	1,205,239	17,946	98,727	248,438	365,111

5.1 This includes balances of Rs.19.293 million, Rs.437.468 million & Rs.735.781 million (June 30, 2025: 2.746 million, Rs.96.368 million & Rs.234.575 million) of equity sub-fund, debt sub-fund and money market sub-fund respectively placed with Habib Bank Limited (a related party), during the year these accounts carried profit at the rates ranging between 8.50%-11.30% (June 30, 2025: 9.00% to 21.15) respectively. During the year other savings accounts of the Fund carried profit at the rates ranging between 3.10% to 11.35% (June 30, 2025: 10.75% to 20.50%) per annum.

		June 30, 2026				June 30, 2025			
		Equity	Debt	Money Market Sub-Fund	Total	Equity	Debt	Money Market Sub-Fund	Total
6. INVESTMENTS	Note	----- (Rupees in '000) -----							
Financial Assets									
At fair value through profit or loss	6.1	643,946	331,261	693,898	1,669,105	343,516	426,957	875,496	1,645,969
At amortised cost	6.2	-	-	-	-	-	-	-	-
		643,946	331,261	693,898	1,669,105	343,516	426,957	875,496	1,645,969

6.1 At fair value through profit or loss'

Listed equity securities	6.1.1	643,946	-	-	643,946	343,516	-	-	343,516
Government securities - Ijarah sukuks	0	-	192,261	485,898	678,159	-	252,789	684,496	937,284
Corporate Sukuk Bonds	6.1.3	-	139,000	208,000	347,000	-	174,168	191,000	365,168
Total		643,946	331,261	693,898	1,669,105	343,516	426,957	875,496	1,645,969

6.1.1 Fair value through profit or loss Listed equity securities - Equity Sub-Fund

6.1.1.1Held by Equity Sub-Fund

Name of Investee Company	Note	As at July 01, 2025	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2026	Total carrying values as at June 30, 2026	Total Market value as at June 30, 2026	Unrealised appreciation / (diminution) on revaluation of investments	Market value as a percentage of net assets of the sub fund	Market value as a percentage of total investments of sub fund	Investment as a percentage of paid-up capital of investee company
Quoted investments		----- Number of shares -----				----- (Rupees in '000) -----			----- Percentage -----		
Banking											
Meezan Bank Limited		-	126,000	25,000	101,000	49,004	52,162	3,159	-	-	-
Cement											
D.G. Khan Cement Company Limited	6.1.1.2	79,400	64,200	100,600	43,000	8,622	9,601	979	3.80	3.85	0.02
Fauji Cement Company Limited	6.1.1.2	264,646	197,000	218,000	243,646	11,679	14,022	2,343	3.41	3.46	0.01
Lucky Cement Limited		20,000	49,100	13,500	55,600	22,326	26,105	3,779	2.05	2.08	0.00
Attock Cement Pakistan Limited	6.1.1.2	63,566	-	63,566	-	-	-	-	5.37	5.44	0.05
Maple Leaf Cement Factory Limited	6.1.1.2	314,390	338,500	353,000	299,890	27,364	32,061	4,697	7.65	7.75	0.03

Name of Investee Company	Note	As at July 01, 2025	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2026	Total carrying valueas at June 30, 2026	Total Market value as at June 30, 2026	Unrealised appreciation / (diminution) on revaluation of investments	Market value as a percentage of net assets of the sub fund	Market value as a percentage of total investments of sub fund	Investment as a percentage of paid-up capital of investee company
Quoted investments		Number of shares					(Rupees in '000)		Percentage		
Cement											
Pioneer Cement Limited	6.1.1.2	52,300	29,500	66,304	15,496	4,934	4,391	(543)	3.45	3.49	0.02
Cherat Cement Company Limited	6.1.1.2	-	75,400	29,000	46,400	15,168	16,051	883	3.45	3.49	0.02
Dewan Cement Limited		-	297,500	297,500	-	-	-	-	3.45	3.49	0.02
Power Cement Limited		-	720,000	426,500	293,500	5,162	6,759	1,597	3.45	3.49	0.02
						-	-	-			
Chemicals											
Ittehad Chemicals Limited		-	52,500	52,500	-	-	-	-	-	-	
Sitara Chemical		3,500	-	3,500	-	-	-	-	0.50	0.51	0.02
Biafo Industries Limited		28,059	7,300	-	35,359	5,782	4,733	(1,049)	1.42	1.44	0.06
Ghani Chemical Industries Limited		-	71,000	71,000	-	-	-	-	1.42	1.44	0.06
						-	-	-			
Investment Banks / Investment Company / Securities Company											
Engro Holdings Limited		38,000	134,600	53,435	119,165	29,738	34,286	4,549	2.00	2.03	0.00
						-	-	-			
Glass and Ceremics											
Tariq Glass Limited		22,818	-	12,000	10,818	2,717	2,090	(627)	1.66	1.68	0.01
		-				-	-	-			
Engineering											
International Steels Limited		-	18,000	18,000	-	-	-	-	-	-	-
Aisha Steel Limited		-	301,000	301,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited		-	178,000	73,000	105,000	8,751	9,199	448	-	-	-
		-				-	-	-			
Fertilizer											
Engro Fertilizers Limited		-	29,000	29,000	-	-	-	-	-	-	-
Fauji Fertilizer Limited	6.1.1.2	-	116,000	51,000	65,000	31,570	37,276	5,706	-	-	-
Fatima Fertilizer Company Limited		-	118,000	-	118,000	17,962	19,505	1,543	-	-	-
						-	-	-			
Food and Personal Care											
National Foods		7,200	4,300	3,000	8,500	2,876	3,293	417	0.68	0.69	0.00
At Tahir Limited		-	48,500	48,500	-	-	-	-	0.68	0.69	0.00
						-	-	-			
Oil and gas exploration companies											
Mari Energies Limited (Formerly; Mari Petroleum Company Limited)	6.1.1.3	2,608	25,000	900	26,708	19,518	18,009	(1,509)	-	-	-
Oil and Gas Development Company Limited	6.1.1.2	200,450	154,000	123,850	230,600	58,543	77,221	18,678	12.77	12.93	0.00
Pakistan Petroleum Limited	6.1.1.2	260,023	221,800	167,000	314,823	61,188	76,382	15,194	12.78	12.94	0.01
Pakistan State Oil Company Limited	6.1.1.2 & 6.1.1.3	128,937	57,900	138,100	48,737	19,158	16,685	(2,473)	14.06	14.24	0.03
Sui Northern Gas Pipelines Limited		112,100	72,000	59,500	124,600	14,732	15,068	336	3.78	3.83	0.02
Sui Southern Gas Limited		-	90,000	90,000	-	-	-	-	3.78	3.83	0.02
		-				-	-	-			
Paper and Board											
Century Paper and Board Limited		-	80,000	-	80,000	3,127	2,390	(738)	-	-	-

Name of Investee Company	Note	As at July 01, 2025	Purchased / bonus / right received during the year	Sold during the year	As at June 30, 2026	Total carrying valueas at June 30, 2026	Total Market value as at June 30, 2026	Unrealised appreciation / (diminution) on revaluation of investments	Market value as a percentage of net assets of the sub fund	Market value as a percentage of total investments of sub fund	Investment as a percentage of paid-up capital of investee company
Quoted investments		Number of shares					(Rupees in '000)		Percentage		
Pharmaceuticals											
AGP Limited	6.1.1.2	54,850	59,200	71,700	42,350	8,701	8,738	37	3.03	3.06	0.02
Ferozsons Laboratories Limited		-	15,300	-	15,300	5,951	6,169	218	-	-	-
Highnoon Laboratories Limited		9,135	3,700	4,969	7,866	7,963	7,887	(76)	2.61	2.64	0.02
Abbot Laboratories Pakistan Limited		7,400	-	3,900	3,500	3,402	3,445	43	2.08	2.10	0.01
GlaxoSmithKl ine		27,100	2,500	20,300	9,300	3,644	3,443	(201)	3.06	3.10	0.03
Haleon Pakistan		6,390	6,300	5,350	7,340	6,360	5,910	(450)	1.36	1.38	0.01
The Searle Company Limited	6.1.1.3	457	122,168	92,168	30,457	2,525	2,879	355	0.01	0.01	0.00
Citi Pharma Limited		-	42,000	42,000	-	-	-	-	0.01	0.01	0.00
		-	-	-	-	-	-	-	-	-	-
Power generation and distribution											
Hub Power Company Limited	6.1.1.2	42,000	108,500	71,600	78,900	15,735	18,419	2,685	1.67	1.69	0.00
K Electric Limited		2,171,500	1,200,000	1,730,000	1,641,500	9,959	14,018	4,059	3.29	3.33	0.01
		-	-	-	-	-	-	-	-	-	-
Technology & Communication											
TPL Trakker Limited		172,899	-	172,899	-	-	-	-	0.36	0.36	0.09
P.T.C.L		-	617,500	379,500	238,000	13,266	15,594	2,328	-	-	-
Systems Limited		30,000	90,500	44,000	76,500	9,990	11,252	1,263	0.93	0.94	0.00
		-	-	-	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited		19,600	43,000	42,600	20,000	16,437	17,013	576	3.85	3.90	0.02
Pak Refinery Limited		-	500,000	-	500,000	15,194	17,835	2,641	-	-	-
National Refinery Limited		-	11,700	5,500	6,200	2,697	2,247	(450)	-	-	-
		-	-	-	-	-	-	-	-	-	-
Automobile Assembler											
Ghandhara Industries Limited		-	5,000	5,000	-	-	-	-	-	-	-
Ghandhara Automobile		-	17,500	17,500	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Miscellaneous											
TPL Properties Limited		-	76,500	76,500	-	-	-	-	-	-	-
Berger Paints Pakistan Limited		-	29,600	29,600	-	-	-	-	-	-	-
Shifa International Hospital		8,200	4,000	12,200	-	-	-	-	1.13	1.14	0.01
Gul Ahmed Textile Mills Limited		-	90,000	90,000	-	-	-	-	1.13	1.14	0.01
Ghani Dairies Limited		-	184,019	8,657	175,362	3,469	3,498	29	1.13	1.14	0.01
Interloop Limited		-	94,900	-	94,900	8,596	10,206	1,609	1.13	1.14	0.01
International Industries Limited		-	10,000	10,000	-	-	-	-	1.13	1.14	0.01
Nishat Mills Limited		-	113,000	28,000	85,000	16,881	13,418	(3,463)	1.13	1.14	0.01
Pak Elektron Limited		-	124,000	21,000	103,000	5,920	4,681	(1,239)	1.13	1.14	0.01
Pakistan International Bulk Terminal Limited		-	385,000	385,000	-	-	-	-	1.13	1.14	0.01
Pakistan Services Limited		-	1,250	1,250	-	-	-	-	1.13	1.14	0.01
		4,147,528	7,633,237	6,259,448	5,521,317	576,611	643,946	67,335			
Total as at June 30, 2026		4,147,528	7,633,237	6,259,448	5,521,317	576,611	643,946	67,335			
Total as at June 30, 2025		3,426,253	4,953,261	(4,231,986)	4,147,528	276,577	343,516	66,939			

6.1.1.3 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the Honourable High Court of Sindh (HSC), challenging the applicability of withholding tax provision on bonus shares received by the CISs based on the fact that CISs are exempt from deduction of income tax under Clause 99 Part I of Second Schedule of the ITO. In the year 2018, the Supreme Court (SCP) of Pakistan passed a judgement wherein the suits that are already pending or shall be filed in future must only be continued / entertained if the condition of depositing a minimum of 50 per cent of the tax calculated is met. Accordingly, CISs were required to pay the minimum 50 percent of tax, but a failure to do so on their part resulted in vacation of the stay obtained.

In the previous years the CISs had filed a petition via CP 4653 dated July 11, 2019 in the HSC. In this regard, on July 15, 2019, the Honourable High Court of Sindh (HSC) issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication.

The HSC had granted stay order till the final outcome of the case. Further, the investee companies had withheld the share equivalent to 5% of bonus announcement of the Fund in previous years.

	June 30, 2026		
	No. of shares with held	Rate	Market Value Rupees in '000
Pakistan State Oil Limited	237	342	81
	<u>237</u>	<u>342</u>	<u>81</u>

Subsequently, the Finance Act, 2023 reintroduced the tax on bonus shares. This tax measure was initially introduced through the Finance Act, 2014 but was subsequently omitted under the Finance Act, 2018. Through the Finance Act, 2023, the taxation was reintroduced by inserting Section 236Z, which imposes withholding tax at the rate of 10% on the issuance of bonus shares. The provisions of Section 236Z has become effective from July 1, 2023..

There is no change in the status of bonus shares of the funds withheld by investee companies as reported in the annual financial statements of the Fund for the year ended June 30, 2026, which are as follows

	June 30, 2026		
	No. of shares with held	Rate	Market Value Rupees in '000
Mari Energies Limited	2,608	674	1,759
The Searle Company Limited	457	95	43
	<u>3,065</u>	<u>769</u>	<u>1,802</u>

6.1.2.1 Held by Debt Sub-Fund

Government Securities - Ijarah Sukuk

Held by Debt sub fund

Held by Debt sub fund		Face value				Carrying	Market	Market value as a percentage of	
Issue Date	Tenor	As at	Purchases	Sales /	As at	value as at June 30, 2026	value as at June 30, 2026	Total	Net assets
		July 1, 2025	during the year	matured during the year	June 30, 2026			investments of sub-fund	of sub-fund
		(Rs in 000)						Rupees in ('000)	
July 29, 2020	5 Year	4,600	-	4,600	-	-	-	0.00%	0.00%
October 6, 2021	5 Year	23,700	-	-	23,700	23,950	23,672	7.15%	4.43%
June 26, 2023	3 Year	15,000	-	15,000	-	-	-	0.00%	0.00%
December 4, 2023	3 Years	78,000	-	-	78,000	83,926	79,521	24.01%	14.89%
January 24, 2024	1 Year	-	-	-	-	-	-	-	0.00%
April 26, 2024	1 Year	-	-	-	-	-	-	-	0.00%
October 20, 2024	3 Year	68,500	-	-	68,500	70,507	68,630	20.72%	12.85%
October 21, 2024	5 Year	20,000	-	-	20,000	21,118	20,438	6.17%	3.83%
January 9, 2025	1 Year	10,000	-	10,000	-	-	-	0.00%	0.00%
May 2, 2025	1 Year	25,000	-	25,000	-	-	-	0.00%	0.00%
Total as at June 30, 2026		244,800	-	54,600	190,200	199,501	192,261	58.04%	36.00%
Total as at June 30, 2025		194,665	166,800	116,665	244,800	243,962	252,789	59%	47%

6.1.2 Held by Money Market sub fund

Issue Date	Tenor	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
		As at July 1, 2025	Purchases during the year	Sales / matured during the year	As at June 30, 2026			Total investments of sub-fund	Net assets of sub-fund
----- Rupees in ('000) -----				----- Rupees in ('000) -----		----- (%) -----			
April 30, 2020	5 Years	-			-			0.00%	0.00%
December 4, 2023	3 Years	25,000	-	-	25,000	26,898	25,526	3.68%	2.26%
January 24, 2024	1 Year	-			-	-	-	0.00%	0.00%
April 26, 2024	1 Year	-			-	-	-	0.00%	0.00%
May 30, 2025	1 Year	100,000	-	100,000	-			0.00%	0.00%
July 26, 2024	1 Year	275,000	-	275,000	-			0.00%	0.00%
October 20, 2024	3 Years	35,000			35,000	36,026	35,120	5.06%	3.10%
October 21, 2024	1 Year	125,000	-	125,000	-			0.00%	0.00%
October 21, 2024	1 Year	15,000	-	15,000	-			0.00%	0.00%
November 7, 2024	1 Year	20,000	-	20,000	-			0.00%	0.00%
January 9, 2025	1 Year	10,000	-	10,000	-			0.00%	0.00%
May 2, 2025	1 Year	100,000	-	100,000	-			0.00%	0.00%
April 30, 2026	1 Year	-	150,000	-	150,000	136,699	136,873	19.73%	12.10%
August 21, 2025	1 Year	-	125,000	-	125,000	123,379	123,325	17.77%	10.90%
October 06, 2021	5 Years	-	165,000	-	165,000	164,773	165,053	23.79%	14.59%
Total as at June 30, 2026		705,000	440,000	645,000	500,000	487,775	485,898	70.02%	42.95%
Total as at June 30, 2025		137,245	791,000	223,245	705,000	680,545	684,496	78.18%	60.51%

	Note	June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
		----- (Rupees in '000) -----							
Term Deposit Receipts (TDRs)	6.2.1	-	-	-	-	-	-	-	-
Bai Muajjal	6.2.2	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

6.2.1 Term Deposit Receipts- Money Market Sub Fund

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) -----						
Meezan Bank Limited	-	520,000	3,041	523,041	-	0.00%	0.00%
Habib Bank Limited	-	200,000	500	200,500	-	0.00%	0.00%
Askari Bank Limited	-	185,000	1,330	186,330	-	0.00%	0.00%
Total - as at June 30, 2026	-	905,000	4,871	909,871	-	0.00%	0.00%
Total - as at June 30, 2025	-	-	-	-	-	0.00%	0.00%

6.2.1.2 This Term deposit receipts carry profit rates at the rates ranging from 10.50% to 11.40% (June 30, 2025: Nil)

6.2.2Bai Muajjal- Money Market Sub Fund

Investee Compmay	As at July 1, 2025	Placemant made during the period	Income Accrued	Sales / Matured	As at June 30, 2026	Percentage of total net assets	Percentage of total of investments
Askari Bank Limited	-	172,392	4,693	177,085	-	0.00%	0.00%
Pak Oman Investment Company Limited	-	325,720	8,443	334,163	-	0.00%	0.00%
Pak Brunei Investment Company Limited	-	173,289	5,030	178,319	-	0.00%	0.00%
United Bank Limited	-	183,856	4,231	188,087	-	0.00%	0.00%
Total - as at June 30, 2026	-	855,257	22,397	877,654	-	0.00%	0.00%
Total - as at June 30, 2025	-	9,108,631	223,235,687	232,344,318	-	0.00%	0.00%

6.2.2.1Bai Muajjal carry profit rates at the rates ranging from 10.00% to 10.82% (June 30, 2025: Nil)

7. DIVIDEND AND PROFIT RECEIVABLE

Particulars	Note	June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
		(Rupees in '000)							
Dividend receivable		88	-	-	88	7	-	-	7
Profit receivable on bank deposit		116	6,655	5,749	12,520	40	3,402	1,264	4,706
Profit receivable on Sukuk bonds		-	7,023	5,307	12,330	-	4,348	6,283	10,631
Profit receivable on Government securities		-	593	5,532	6,125	-	1,848	1,152	3,000
		204	14,271	16,588	31,063	46	9,599	8,699	18,344

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLE

Particulars		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
		(Rupees in '000)							
Security deposit with Central Depository Company of Pakistan Limited (CDC)		100	100	100	300	100	100	100	300
Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		2500	-	-	2,500	2500	-	-	2,500
Receivable against sale of investment		-	-	-	-	-	-	-	-
Advance tax	8.1	109	237	343	689	109	236	343	688
Others		26	0	11	36	24	14	12	50
		2,735	337	454	3,525	2,733	350	455	3,538

8.1 The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of Second Schedule to the income Tax Ordinance,2001.Further, the Fund is exempt 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 Pension Fund Manager is confident that the same shall be refunded after filing refund application.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
9. PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER	Note	----- (Rupees in '000) -----							
Remuneration payable to Pension Fund Manager	9.1	495	470	864	1,829	280	319	627	1,226
Sindh Sales Tax on remuneration to the Pension Fund Manager	9.2	74	71	130	275	42	48	94	184
		<u>569</u>	<u>541</u>	<u>994</u>	<u>2,104</u>	<u>322</u>	<u>367</u>	<u>721</u>	<u>1,410</u>

9.1 As per the Regulation 61 of the NBFC Regulations, Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. The maximum limit disclosed in the Offering Document is 1.5% per annum of average annual net assets. During the year, the fee has been charged at the rate ranging between of 0.55% to 1.5% of the average annual net assets. The fee is payable monthly in arrears.

9.2 The Sindh Sales Tax charged at the rate of 15% (2024: 13%) on the remuneration of the Pension Fund Manager through the Sindh Sales Tax on Services Act, 2011.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
10. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	----- (Rupees in '000) -----							
Remuneration payable	10.1	58	74	136	268	35	54	106	195
Sales tax on remuneration payable	10.2	9	11	20	40	5	8	16	29
		<u>67</u>	<u>85</u>	<u>156</u>	<u>308</u>	<u>40</u>	<u>62</u>	<u>122</u>	<u>224</u>

10.1 The Central Depository Company of Pakistan Limited is entitled to remuneration at the following rates on net assets of the Fund:

Net Assets

Up to Rs.1,000 million
Above Rs.1,001 million and up to Rs.3,000 million
Above Rs.3,001 million and up to Rs.6,000 million
Above Rs.6,000 million

Tariff per annum

0.15% per annum
Rs.1.5 million plus 0.10% per annum of net assets, on amount exceeding Rs.1,000 million
Rs.3.5 million plus 0.08% per annum of net assets, on amount exceeding Rs.3,000 million
Rs.5.9 million plus 0.06% per annum of net assets, on amount exceeding Rs.6,000 ,million

10.2 The Sales tax charged at the rate of 15% (2024: 13%) on the remuneration of the Trustee is applied under the provisions of Sindh Sales Tax on Services Act, 2011.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
11. PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees in '000) -----							
	11.1	<u>192</u>	<u>261</u>	<u>497</u>	<u>950</u>	<u>99</u>	<u>177</u>	<u>337</u>	<u>613</u>

11.1 This represents annual SECP fee. SECP vide S.R.O. 1620 (I) / 2019, dated December 24, 2019 revised its annual fee to 0.04% (2025: 0.04%) per annum of average daily net assets of the Fund.

		June 30, 2026				June 30, 2025			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
12. ACCRUED EXPENSES AND OTHER LIABILITIES	Note	----- (Rupees in '000) -----							
Auditor's remuneration		142	88	152	382	68	95	68	231
Federal excise duty	12.1	-	-	383	383	880	488	383	1,751
Payable against redemption of units		-	-	-	-	-	-	-	-
Payable against purchase of investment		17,438	-	-	17,438	10,950	-	-	10,950
Other payable		2,413	656	332	3,401	3,181	329	181	3,691
Payable to Pension Fund Manager		-	-	-	-	2,500	-	-	2,500
		<u>19,993</u>	<u>744</u>	<u>868</u>	<u>21,604</u>	<u>17,579</u>	<u>912</u>	<u>632</u>	<u>19,123</u>

12.1 FEDERAL EXCISE DUTY

As per the requirement of the Finance Act, 2013, Federal Excise Duty (FED) at the rate of 16% on the remuneration of the Pension Fund Manager has been applied effective from June 13, 2013. The Pension Fund Manager is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED results in double taxation, which does not appear to be the spirit of the law, hence, a petition was collectively filed by the MUFAP along-with CDC with the Sindh High Court (SHC) on September 04, 2013. While disposing the above petition through order dated June 30, 2016, the SHC declared the said provisions to be ultra vires and as a result no FED is payable with effect from July 01, 2011. However, the tax authorities subsequently filed appeal against the decision of the SHC in the Supreme Court of Pakistan, which is pending for the decision.

The Finance Act, 2016 excluded the mutual funds from the levy of FED with effect from July 01, 2016. therefore, no provision was charged during the year ended June 30, 2026.

13. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 (2025: Nil).

14 NUMBER OF UNITS IN ISSUE

Particulars	June 30, 2026				June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Beginning of the year	370,972	1,708,486	3,814,213	5,893,670	295,280	1,369,573	2,499,200	4,164,053
Units issued during the year	466,451	1,603,582	2,509,093	4,579,126	403,116	1,348,000	3,246,084	4,997,200
Units redeemed during the year	(311,260)	(1,010,725)	(1,834,630)	(3,156,615)	(327,424)	(1,009,087)	(1,931,071)	(3,267,582)
Total units in issue at the end of the year	<u>526,163</u>	<u>2,301,343</u>	<u>4,488,675</u>	<u>7,316,181</u>	<u>370,972</u>	<u>1,708,486</u>	<u>3,814,213</u>	<u>5,893,671</u>

15. AUDITOR'S REMUNERATION

Statutory audit fee	131	159	294	584	76	110	77	263
Sales tax	12	14	26	51	6	9	6	21
Out of pocket expenses	13	16	29	59	8	11	8	27
	<u>156</u>	<u>189</u>	<u>349</u>	<u>695</u>	<u>90</u>	<u>130</u>	<u>91</u>	<u>311</u>
	171	202	325	698				
	15	13	(24)	4				

16. TAXATION

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

17. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	June 30, 2026								
	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial assets

Balances with banks	22,156	-	22,156	440,915	-	440,915	742,168	-	742,168
Investments	-	643,946	643,946	-	331,261	331,261	-	693,898	693,898
Dividend and profit receivable	204	-	204	14,271	-	14,271	16,588	-	16,588
Advances, deposits and other receivables	2,626	-	2,626	100	-	100	111	-	111
	24,986	643,946	668,932	455,286	331,261	786,547	758,867	693,898	1,452,765

Transactions during the year

Particulars	June 30, 2025								
	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial assets

Balances with banks	17,946	-	17,946	98,727	-	98,727	248,438	-	248,438
Investments	-	343,516	343,516	-	426,957	426,957	-	875,496	875,496
Dividend and profit receivable	47	-	47	9,598	-	9,598	8,699	-	8,699
Advances, deposits and other receivables	2,624	-	2,624	115	-	115	112	-	112
	20,617	343,516	364,133	108,440	426,957	535,397	257,249	875,496	1,132,745

Particulars	June 30, 2026								
	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total

(Rupees in '000)

Financial liabilities

Payable to HBL Asset Management Limited- Pension Fund Manager	495	-	495	470	-	470	864	-	864
Payable to the Central Depository Company of Pakistan Limited - Trustee	58	-	58	74	-	74	136	-	136
Accrued expenses and other liabilities	19,993	-	19,993	744	-	744	868	-	868
	20,546	-	20,546	1,288	-	1,288	1,868	-	1,868

Particulars	June 30, 2025								
	Equity Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total
----- (Rupees in '000) -----									
Financial liabilities									
Payable to HBL Asset Management Limited- Pension Fund Manager	280	-	280	319	-	319	627	-	627
Payable to the Central Depository Company of Pakistan Limited - Trustee	35	-	35	54	-	54	106	-	106
Accrued expenses and other liabilities	16,699	-	16,699	912	-	912	632	-	632
	<u>17,014</u>	<u>-</u>	<u>17,014</u>	<u>1,285</u>	<u>-</u>	<u>1,285</u>	<u>1,365</u>	<u>-</u>	<u>1,365</u>

18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

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

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

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

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

18.1 Transactions during the period

	For the year ended June 30, 2026				For the year ended June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
HBL Asset Management Limited - Pension Fund Manager								
Remuneration of the Pension Fund Manager	4,792	4,719	8,929	18,440	2,481	3,177	6,044	11,701
Sindh Sales Tax on remuneration of the Pension Fund Manager	719	708	1,339	2,766	372	476	907	1,755
Allocation of fees and expenses / (reversal) related to registrar services, accounting, operation and valuation services	-	-	-	-	-	191	347	538
Central Depository Company of Pakistan Limited - Trustee								
Remuneration to Central Depository Company of Pakistan Limited - Trustee	579	687	1,506	2,772	345	589	1,118	2,052
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	86	104	225	415	51	89	167	307

	For the year ended June 30, 2026				For the year ended June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Habib Bank Limited - Sponsor								
Bank charges	35	44	48	127	35	48	50	133
Profit on bank deposits earned	343	1,777	2,219	4,339	1,556	5,430	9,933	16,919
Purchase of GOP Ijara Sukuk	-	-	152,537	152,537	-	5,048	-	5,048
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Issuance of units	6,489	2,562	6,330	15,381	8,884	3,780	55,920	68,584
Amount of units issued	6,967	838	2,002	9,807	6,152	684	15,962	22,798
Reallocation of units	7,472	3,681	12,637	23,790	16,347	1,119	22,993	40,459
Amount of units reallocated	6,830	1,152	3,788	11,770	13,556	321	6,574	20,451
Executives and their relatives								
Issuance of units	-	-	-	-	-	-	-	-
Amount of units issued	-	-	-	-	-	-	-	-
Reallocation of units	-	-	-	-	-	-	-	-
Amount of units reallocated	-	-	-	-	-	-	-	-
Directors of connected persons								
Redemption of units	-	-	-	-	-	-	-	-
Amount of units redeemed	-	-	-	-	-	-	-	-
CDC Trustee HBL Islamic Income Fund - Under Common Management								
Purchase of GOP Ijara Sukuk	-	-	-	-	-	-	-	-
Sale of GOP Ijara Sukuk	-	30,837	-	30,837	-	30,837	-	30,837
CDC Trustee HBL Financial Sector Income Fund - Under Common Management								
Sale of GOP Ijara Sukuk	-	-	-	-	-	-	-	-
CDC Trustee HBL Islamic Money Market Fund Under Common Management								
Sale of GOP Ijara Sukuk	-	-	-	-	-	-	-	-

18.2 Balances outstanding as at period end

HBL Asset Management Limited - Pension Fund Manager								
Remuneration Payable to the Pension Fund Manager	495	470	864	1,829	280	319	627	1,226
Sindh Sales Tax payable on remuneration of the Pension Fund Manager	74	71	130	275	42	48	94	184
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	191	347	538
Other payable to Pension Fund Manager	-	-	-	-	2,500	-	-	2,500
Habib Bank Limited - Sponsor								
Bank balances	19,293	437,500	735,781	1,192,574	2,746	96,368	234,575	333,689

	For the year ended June 30, 2026				For the year ended June 30, 2025			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Directors and Executives of the Pension Fund								
Manager and their relatives								
Directors and their relatives								
Units held	50,739	10,148	26,639	87,526	51,722	11,267	32,946	95,935
Amount of units held	48,405	3,208	7,986	59,599	48,268	3,522	9,772	61,562
Executives and their relatives								
Units held	-	-	-	-	-	-	-	-
Amount of units held	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration to Central Depository Company of Pakistan Limited - Trustee	579	687	1,506	2,772	345	589	1,118	2,052
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	86	104	225	415	51	89	167	307
Security deposit receivable	100	100	100	300	100	100	100	300

19. FINANCIAL RISK MANAGEMENT

The Board of Directors of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

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 Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee. The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

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

19.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund is not exposed to currency risk.

19.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

19.1.2 a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the year would have increased / (decreased) by Rs. 0.1795 million for Equity Sub-Fund, Rs. 0.9873 million for Debt Sub- Fund and Rs. 2.4844 million for Money Market Sub-Fund, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

19.1.2 b) Fair value interest rate risk

The Fund's investment in GOP Ijara Sukuk, Equity securities and Corporate Sukuk/ TFC 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 year and the net assets would be lower/higher by Rs. 3.4188 million for Equity Sub-Fund , Rs. 4.2696 million for Debt Sub- Fund and Rs.8.7550 million for Money Market Sub-Fund .

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

Effective yield / interest rate	Total	2026												
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to			Not exposed to yield / interest rate risk	Exposed to			Not exposed to yield / interest rate risk	Exposed to			Not exposed to yield / interest rate risk	
		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		
On-balance sheet financial instruments	%	(Rupees in '000)												
Financial assets														
Balances with banks	9% - 21.15%	1,205,239	22,156	-	-	-	440,915	-	-	-	742,168	-	-	-
Investments		1,669,105	-	-	-	643,946	-	331,261	-	-	-	693,898	-	-
Dividend and profit receivable		31,063	-	-	-	204	-	-	-	14,271	-	-	-	16,588
Advances, deposits and other receivables		2,837	-	-	-	2,626	-	-	-	100	-	-	-	111
		2,908,244	22,156	-	-	646,776	440,915	331,261	-	14,371	742,168	693,898	-	16,699
Financial liabilities														
Payable to the Pension Fund Manager		1,829	-	-	-	495	-	-	-	470	-	-	-	864
Payable to the Trustee		268	-	-	-	58	-	-	-	74	-	-	-	136
Accrued and other liabilities		21,605	-	-	-	19,993	-	-	-	744	-	-	-	868
		23,703	-	-	-	20,547	-	-	-	1,288	-	-	-	1,868
On-balance sheet gap		2,884,541	22,156	-	-	626,230	440,915	331,261	-	13,082	742,168	693,898	-	14,832
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-	-	-

Effective yield / interest rate	Total	2025												
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund				
		Exposed to			Not exposed to yield / interest rate risk	Exposed to			Not exposed to yield / interest rate risk	Exposed to			Not exposed to yield / interest rate risk	
		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		Up to three months	More than three months and up to one year	More than one year		
Rupees in '000														
On-balance sheet financial instruments														
Financial assets														
Balances with banks	9% - 21.15%	365,111	17,946	-	-	-	98,727	-	-	-	248,438	-	-	-
Investments		1,645,969	-	-	-	343,516	-	426,957	-	-	-	875,496	-	-
Dividend and profit receivable		18,344	-	-	-	47	-	-	-	9,598	-	-	-	8,699
Advances, deposits and other receivables		2,851	-	-	-	2,624	-	-	-	115	-	-	-	112
		2,032,276	17,946	-	-	346,187	98,727	426,957	-	9,713	248,438	875,496	-	8,811

Effective yield / interest rate	Total	2025											
		Equity Sub-Fund				Debt Sub-Fund				Money Market Sub-Fund			
		Exposed to		Not exposed to yield / interest rate risk		Exposed to		Not exposed to yield / interest rate risk		Exposed to		Not exposed to yield / interest rate risk	
		Up to three months	More than three months and up to one year			Up to three months	More than three months and up to one year			Up to three months	More than three months and up to one year		

Rupees in '000

Financial liabilities

Payable to the Pension Fund Manager
Payable to the Trustee
Accrued and other liabilities

1,226	-	-	-	280	-	-	-	319	-	-	-	627
195	-	-	-	35	-	-	-	54	-	-	-	106
18,243	-	-	-	16,699	-	-	-	912	-	-	-	632
19,664	-	-	-	17,014	-	-	-	1,285	-	-	-	1,365
2,012,612	17,946	-	-	329,173	98,727	426,957	-	8,427	248,438	875,496	-	7,447
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-

On-balance sheet gap

Off-balance sheet financial instruments

Off-balance sheet gap

19.1.3 Price risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to factors specific to the individual financial instrument or its issuer such as, change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, or factors affecting all similar financial instruments traded in the market such as changes in the industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to achieve long term capital growth by investing primarily in equity securities. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio.

The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund does not hold any instrument that is exposed to price risk.

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in corporate Sukuk/TFC bonds, and bank deposit. Risks attributable to investments in GOP Ijara Sukuk are limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating. The risk of default is considered minimal due to interest systematic measures taken therein.

19.2.1 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2026.

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2026	Rating agency
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Rupees in '000

HABIB BANK LIMITED	19,293	437,500	735,781	A-1+	VIS
FAYSAL BANK LIMITED	-	2	386	A-1+	VIS
DUBAI ISLAMIC BANK	-	12	11	A-1+	VIS
BANK ISLAMI PAKISTAN LIMITED	2,864	1,614	-	A-1	PACRA
ALLIED BANK LIMITED	-	38	-	A-1+	PACRA
MEEZAN BANK LIMITED	-	6	4	A-1+	VIS
SONERI BANK LIMITED	-	145	-	A-1+	PACRA
BANK ALFALAH	-	10	10	A-1+	PACRA
NATIONAL BANK OF PAKISTAN	-	256	2,815	A-1+	PACRA
HABIB METROPOLITAN BANK	-	-	-	-	-

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30,2026	Rating agency
----- Rupees in '000 -----					
LIMITED	-	610	89	A-1+	PACRA
UNITED BANK LIMITED	-	559	3,043	A-1+	VIS
BANK AL HABIB LIMITED	-	15	29	A-1+	PACRA
AL BARAKA BANK LIMITED	-	148	-	A-1	VIS
	<u>22,157</u>	<u>440,915</u>	<u>742,167</u>		

20.2.2 The analysis below summarises the credit quality of the Fund's financial assets as at June 30, 2025.

Bank	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Latest available published rating as at June 30, 2025	Rating agency
----- Rupees in '000 -----					
HABIB BANK LIMITED	2,746	96,368	234,575	A-1+	VIS
FAYSAL BANK LIMITED	-	2	676	A-1+	VIS
DUBAI ISLAMIC BANK	-	12	11	A-1+	VIS
BANK ISLAMI PAKISTAN LIMITED	15,200	95	-	A-1	PACRA
ALLIED BANK LIMITED	-	38	16	A-1+	PACRA
MEEZAN BANK LIMITED	-	6	4	A-1+	VIS
SONERI BANK LIMITED	-	691	-	A-1+	PACRA
BANK ALFALAH	-	10	10	A-1+	PACRA
NATIONAL BANK OF PAKISTAN	-	19	2,354	A-1+	PACRA
HABIB METROPOLITAN BANK LIMITED	-	589	9,865	A-1+	PACRA
UNITED BANK LIMITED	-	51	898	A-1+	VIS
BANK AL HABIB LIMITED	-	15	29	A-1+	PACRA
AL BARAKA BANK LIMITED	-	831	-	A-1	VIS
	<u>17,946</u>	<u>98,727</u>	<u>248,438</u>		

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

Rating by rating category

A-1+	99.62%
A-1	0.38%

There is no exposure other than bank balance as disclosed above as at June 30, 2026.

Concentration of credit risk

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

19.3 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. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager'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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. 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 net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment with in 90 days of such borrowings. The facility would bear interest at commercial rates.

The table below summarises 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 period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

The table below summarises 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 period to the contractual maturity date. However, assets and liabilities that are receivable / payable on demand including bank balances have been included in the maturity grouping of one month.

The following table analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

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	-----'June 30, 2026-----												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	
----- (Rupees in '000) -----													

Financial Liabilities

Payable to HBL Asset Management Limited - Pension Fund Manager	495	-	-	495	470	-	-	470	864	-	-	864	1,829
Payable to the Central Depository Company of Pakistan Limited - Trustee	58	-	-	58	74	-	-	74	136	-	-	136	268
Accrued expenses and other liabilities	19,993	-	-	19,993	744	-	-	744	868	-	-	868	21,605
	<u>20,546</u>	<u>-</u>	<u>-</u>	<u>20,546</u>	<u>1,288</u>	<u>-</u>	<u>-</u>	<u>1,288</u>	<u>1,868</u>	<u>-</u>	<u>-</u>	<u>1,868</u>	<u>23,702</u>

Particulars	-----'June 30, 2025-----												
	Equity Sub Fund				Debt Sub Fund				Money Market Sub Fund				Total
	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	Up to three months	Over three months and up to one year	Over one year	Total	
----- (Rupees in '000) -----													

Financial Liabilities

Payable to HBL Fund Manager Limited - Pension Fund Manager	280	-	-	280	319	-	-	319	627	-	-	627	1,226
Payable to the Central Depository Company of Pakistan Limited - Trustee	35	-	-	35	54	-	-	54	106	-	-	106	195
Accrued expenses and other liabilities	17,579	-	-	17,579	912	-	-	912	632	-	-	632	19,123
	<u>17,894</u>	<u>-</u>	<u>-</u>	<u>17,894</u>	<u>1,285</u>	<u>-</u>	<u>-</u>	<u>1,285</u>	<u>1,365</u>	<u>-</u>	<u>-</u>	<u>1,365</u>	<u>20,544</u>

The above mentioned financial liabilities do not carry any mark-up.

20 UNITHOLDERS' FUND RISK MANAGEMENT

The unitholders' fund is represented by the net assets attributable to unitholders / redeemable units. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unitholders 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 unitholders' fund. Unitholders fund risk management is carried out by the Pension Fund Manager 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 unitholders;
- 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 Pension Fund Manager 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 period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The table below analyse financial instruments measured at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	June 30, 2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
	-----	(Rupees in '000)	-----	
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	643,946	-	-	643,946
Debt Sub-Fund				
Government of Pakistan - Ijara Sukuks	192,261	-	-	192,261
Corporate Sukuk bonds	-	139,000	-	139,000
Money Market Sub-Fund				
Government of Pakistan - Ijara Sukuks	485,898	-	-	485,898
Corporate Sukuk bonds	-	208,000	-	208,000
	1,322,105	139,000	-	1,461,105

	June 30, 2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
	-----	(Rupees in '000)	-----	
Investments at fair value through profit or loss				
Equity Sub-Fund				
Listed equity securities	163,874	-	-	163,874
Debt Sub-Fund				
Government of Pakistan - Ijara Sukuks	183,590	-	-	183,590
Corporate Sukuk bonds	-	997	-	997
Money Market Sub-Fund				
Government of Pakistan - Ijara Sukuks	123,258	-	-	123,258
Corporate Sukuk bonds		60,000		60,000
	470,722	60,997	-	531,719

21.1 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

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.	Name	Designation	Qualification	Experience in years
1	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2	Rahat Saeed Khan	Acting Chief Investment Officer	MBA	27+
3	Amin Mohammad	Chief Risk Officer	MBA	32+
4	Sunny Kumar	Head of Equities		
5	Hammad Ali Abbas	Senior Fund Manager	MSC	20+
6	Wasim Akram	Senior Fund Manager	MBA	21+
7	Nida Siddiqui	Assistant Fund Manager		

23. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

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			Meeting 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	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.				

24. TOTAL EXPENSE RATIO

In accordance with the S.R.O 1068 (I) / 2021 dated August 23, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP), the total expense ratio of the equity sub fund, debt sub fund and money market sub fund for the year ended June 30, 2025 is 2.16%, 1.05% and 1.06% (June 30, 2025: 2.12%, 1.10% and 1.08%) respectively which includes 0.26%, 0.18% and 0.17% (June 30, 2025: 0.28%, 0.18% and 0.17%) respectively representing Government levy and SECP fee.

25 GENERAL

25.1 Figures have been rounded off to the nearest thousand rupees, where stated otherwise.

25.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

26. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Pension Fund Manager on **August 27, 2026**.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
93

Director



KPK Pension Fund

FUND INFORMATION

NAME OF FUND	HBL KPK Pension Fund
NAME OF AUDITOR	BDO EBRAHIM & Chartered Accountants
NAME OF TRUSTEE	Central Depository Company Pakistan(CDC)
BANKERS	Bank Al falah Limited Soneri 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 PARTICIPANTS

HBL KPK PENSION FUND

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL KPK Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.


Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026





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Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS OF HBL KPK PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL KPK Pension 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 participants' sub funds 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.

Information other than the Financial Statements and Auditor's Report thereon

The Pension Fund Manager ("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 Pension Fund Manager and Board of Directors of the Pension Fund Manager

The Pension Fund Manager of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.
- Conclude on the appropriateness of the Pension Fund Manager'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 Pension Fund Manager 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 Pension Fund Manager 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 Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Voluntary Pension System Rules, 2005 including the guidelines thereunder.

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

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166GmplwP8iW

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL KPK Pension Fund
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 31, 2026

		June 30, 2026					June 30, 2025				
		Money market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
ASSETS		Rupees in "000"									
Balances with bank	5	11,335	624	648	648	13,254	287	624	648	648	2,206
Investments	6	76,386	-	-	-	76,386	58,688	-	-	-	58,688
Preliminary expenses and flotation costs	7	241	-	-	-	241	330	-	-	-	330
Advances, Deposits and Other Receivables	8	351	-	-	-	351	354	-	-	-	354
Receivable from the HBL Asset management Company- Pension Fund Manager		-	-	-	-	-	24	-	-	-	24
Profit/Mark-up receivable	9	438	-	-	-	438	36	-	-	-	36
TOTAL ASSETS		88,751	624	648	648	90,670	59,719	624	648	648	61,638
LIABILITIES											
Payable to the HBL Asset Management Limited - Pension Fund Manager	10	-	-	-	-	-	460	-	-	-	460
Payable to the Central Depository Company of Pakistan Limited - Trustee	11	-	-	-	-	-	7	-	-	-	7
Annual fee payable to the Securities and Exchange Commission of Pakistan	12	29	-	-	-	29	20	-	-	-	20
Accrued expenses and other liabilities	13	270	124	148	148	690	110	124	148	148	530
TOTAL LIABILITIES		299	124	148	148	719	597	124	148	148	1,017
NET ASSETS		88,452	500	500	500	89,952	59,122	500	500	500	60,622
PARTICIPANTS' SUB FUNDS (AS PER STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)		88,452	500	500	500	89,952	59,090	500	500	500	60,590
CONTINGENCIES & COMMITMENTS											
Number of units in issue		(Number of units)					(Number of units)				
	16	633,738	5,000	5,000	5,000		466,879	5,000	5,000	5,000	
Net assets value per unit		(Rupees)					(Rupees)				
		139.5721	100.0000	100.0000	100.0000		126.5634	100.0000	100.0000	100.0000	

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
99

Director

HBL KPK Pension Fund
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2026

June 30, 2026						June 30, 2025					
		Money market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
Income	Note	Rupees in "000"									
Capital loss on sale of investments - net		(2)	-	-	-	(2)	(2)	-	-	-	(2)
Income from corporate sukuks		637	-	-	-	637	163	-	-	-	163
Income from Investment		6,600	-	-	-	6,600	6,248	-	-	-	6,248
Mark-up on bank and term deposits		715	-	-	-	715	268	71	84	84	507
		7,950	-	-	-	7,950	6,677	71	84	84	6,916
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.2	(7)	-	-	-	(7)	26	-	-	-	26
		7,943	-	-	-	7,943	6,704	71	84	84	6,942
Expenses											
Remuneration to HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax on remuneration to HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-	-	-	-	-	-
Remuneration to Central Depository Company of Pakistan - Trustee		108	-	-	-	108	73	-	-	-	73
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee		16	-	-	-	16	11	-	-	-	11
Annual fee - Securities and Exchange Commission of Pakistan		29	-	-	-	29	20	-	-	-	20
Auditors' remuneration	17	508	-	-	-	508	144	-	-	-	144
Other Expenses		1	-	-	-	1	4	71	84	84	243
Legal Fees		64	-	-	-	64	154	-	-	-	154
Reversal against reimbursement from HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-	(24)	-	-	-	(24)
Amortisation of formation cost		90	-	-	-	90	62	-	-	-	62
Total expenses		816	-	-	-	816	444	71	84	84	683
Net income for the year before taxation		7,127	-	-	-	7,127	6,260	-	-	-	6,260
Taxation	19	-	-	-	-	-	-	-	-	-	-
Net income for the year after taxation		7,127	-	-	-	7,127	6,260	-	-	-	6,260

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
100

Director

HBL KPK Pension Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
	(Rupees in "000")									
Net income for the year	7,127	-	-	-	7,127	6,260	-	-	-	6,260
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>7,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,127</u>	<u>6,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,260</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
250

Director

HBL KPK Pension Fund
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
	----- Rupees in "000" -----									
Net assets at the beginning of year	59,091	500	500	500	60,591	37,680	500	500	500	39,180
Amount received on issue of units (Number of Units 2026: 648,738, 2025: 481,879)	22,234	-	-	-	22,234	15,151	-	-	-	15,151
Total comprehensive income for the year	7,127	-	-	-	7,127	6,260	-	-	-	6,260
Net assets at the end of year	88,452	500	500	500	89,952	59,091	500	500	500	60,591

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
102

Director

HBL KPK Pension Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026					June 30, 2025					
	Money market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES	Rupees in "000"										
Net income for the year	7,127	-	-	-	7,127	6,260	-	-	-	6,260	
Adjustments for non cash items:											
Amortization of formation Cost	90	-	-	-	90	62	-	-	-	62	
Capital loss on sale of investments - net	2	-	-	-	2	2	-	-	-	2	
Income from corporate sukuks	(637)	-	-	-	(637)	(163)	-	-	-	(163)	
Income from Government securities	(6,600)	-	-	-	(6,600)	(6,248)	-	-	-	(6,248)	
Mark-up on bank and term deposits	(715)	-	-	-	(715)	(268)	(71)	(84)	(84)	(507)	
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	7	-	-	-	7	(26)	-	-	-	(26)	
	(727)	-	-	-	(727)	(382)	(71)	(84)	(84)	(621)	
(Increase) / Decrease in asset											
Investment-net	(17,708)	-	-	-	(17,708)	(22,508)	-	-	-	(22,508)	
Preliminary expenses and flotation costs	-	-	-	-	-	-	-	-	-	-	
Receivable from HBL Asset Management Limited - Pension Fund Manager	24	-	-	-	24	(24)	-	-	-	(24)	
Advances, deposits and prepayments	3	-	-	-	3	(4)	-	-	-	(4)	
	(17,681)	-	-	-	(17,681)	(22,536)	-	-	-	(22,536)	
Increase / (Decrease) in liabilities											
Payable to the HBL Asset Management Limited - Pension Fund Manager	(460)	-	-	-	(460)	-	-	-	-	-	
Payable to the Central Depository Company of Pakistan Limited - Trustee	(7)	-	-	-	(7)	(3)	-	-	-	(3)	
Annual fee - Securities and Exchange Commission of Pakistan (SECP)	9	-	-	-	9	12	-	-	-	12	
Accrued expenses and other liabilities	160	-	(0)	(0)	160	55	71	84	84	295	
	(298)	-	(0)	(0)	(299)	64	71	84	84	304	
Cash used in operating activities	(18,706)	-	(0)	(0)	(18,706)	(22,853)	0	-	-	(22,853)	
Income received from corporate sukuks	306	-	-	-	306	330	-	-	-	330	
Income received from Government securities	6,600	-	-	-	6,600	6,248	-	-	-	6,248	
Mark-up received on bank deposits	612	-	-	-	612	292	80	94	94	559	
	7,518	-	-	-	7,518	6,870	80	94	94	7,137	
Net cash flows (Used in) from Operating Activates	(11,188)	-	(0)	(0)	(11,188)	(15,983)	80	94	94	(15,716)	
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipt from issuance of units	22,234	-	-	-	22,234	15,151	-	-	-	15,151	
Net cash flows from financing activities	22,234	-	-	-	22,234	15,151	-	-	-	15,151	
Net increase in cash and cash equivalents	11,048	-	(0)	(0)	11,046	(832)	80	94	94	(564)	
Cash and cash equivalents at beginning of the year	287	624	648	648	2,207	1,119	544	554	554	2,771	
Cash and cash equivalents at end of the year	5	11,335	624	648	648	13,253	287	624	648	648	2,206
The annexed notes from 1 to 30 form an integral part of these financial statements.											

The annexed notes from 1 to 30 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
103

Director

HBL KPK Pension Fund
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL KPK Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 22, 2023. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on September 12, 2023 under the Voluntary Pension System (VPS) Rules, 2005. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 14, 2023.
- 1.2** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.3** The Fund is an unlisted open end pension scheme and units are offered on a continuous basis to employees of KPK Government appointed / recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization. The units are non-transferable except in the circumstances mentioned in VPS Rules and KPK Act 2022 and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.4** The Fund consists of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (collectively the "Sub-Funds"). Under the KPK Civil Servants Act 2022, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain in operative till then. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/ recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document and the KPK Rules, 2022.
- 1.5** Except for the departure from investment policy provided in the offering document, where the Pension Fund Manager shall place the seed capital amount of all sub-funds other than Money market Sub-Fund in a separate bank account in a commercial bank having at least such rating as prescribed thereunder for first three years from the date of launch of the Pension Fund, the investment shall be made as per the investment policy mentioned in the offering document. The investment policy for each of the sub-funds is as follows:
- The investment objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KSE-100 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Treasury bills not exceeding 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub Fund shall be invested in equity securities which are listed on Pakistan Stock Exchange (PSX) or for the listing of which an application has been approved by PSX or in units of Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. Investment in a single company is restricted to lower of 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. Exposure to any single entity or debt securities of a single entity shall not exceed 10% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The Money Market Sub-Fund consists of short-term money market securities with weighted average time to maturity not exceeding 90 days. Time to maturity of any assets in the portfolio shall not exceed six months. Exposure to any single entity or debt securities of a single entity, with the exception of those issued by the Federal Government, shall not exceed 10% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. However, at all times, at least 10% of the NAV of the Sub-Fund shall be invested scheduled commercial banks having prescribed ratings or government securities having upto 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document.

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

1.6 VIS Credit Rating Agency has assigned management quality rating of 'AM1 (Stable Outlook)' as at December 31, 2025 to the Pension Fund Manager.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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
- Voluntary Pension System Rules, 2005 (The VPS Rules), Voluntary Pension System Part V of Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differs from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules, NBFC Rules, 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 ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

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
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	
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 with banks and short-term highly liquid investments with original maturities of three months or less.

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 measurement of financial assets and financial liabilities

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.

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 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 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.

4.2.4Derecognition

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 to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.5Fair 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.

4.2.6Regular 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.

4.2.7Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) 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.

4.2.8Offsetting 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 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.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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

4.5 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 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the applications received by the distributors / Pension Fund Manager 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 Pension Fund Manager.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Pension Fund Manager 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, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.7 Net assets 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 circulation as at the year end.

4.8 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.

4.9 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 debt securities is recognized on a time proportion basis using effective interest rate method.
- Unrealised gains / (losses) arising on revaluation of securities classified as financial assets 'at FVPL' and 'at FVOCI' are recognised in the Income Statement and other comprehensive income respectively, in the period in which these arise.
- Profit on balances with banks is recognised on time proportion basis.

4.10 Expenses

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

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
5 BALANCES WITH BANK	Note	----- Rupees in "000"-----									
In saving accounts	5.1	11,335	624	648	648	13,255	287	624	648	648	2,206

5.1 These accounts carry profit rates ranging from 8% to 11.30% for Money Market Sub-Fund, Debt Sub-Fund, Equity Sub-Fund and Equity Index Sub-Fund (June 30, 2025: 13% to 20%) per annum.

6 INVESTMENTS

At fair value through profit or loss

Note	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
	----- Rupees in "000" -----									
6.1	76,386	-	-	-	76,386	58,688	-	-	-	58,688
	76,386	-	-	-	76,386	58,688	-	-	-	58,688
6.1.1	6,000	-	-	-	6,000	-	-	-	-	-
6.1.2	70,386	-	-	-	70,386	58,688	-	-	-	58,688
	76,386	-	-	-	76,386	58,688	-	-	-	58,688

6.1 Financial assets at fair value through profit or loss

Corporate Sukuk Bonds

6.1.1 6,000 - - - 6,000 - - - - -

Market Treasury Bills

6.1.2 70,386 - - - 70,386 58,688 - - - 58,688

76,386 - - - 76,386 58,688 - - - 58,688

6.1.1 Financial assets at fair value through profit or loss - Corporate Sukuk Bonds

Name of the investee company	As at June 30, 2025	Purchases during the period	Sales / Mature during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised gain / (loss)	Market value as a percentage of	
								Total investments	Net assets
	----- (No. of units) -----			----- (Rupees in 000) -----		-----%-----			
Pakistan Telecommunication Company Limited	-	6	6	-	-	-	-	0.00%	0.00%
Gas & Oil Pakistan Limited	-	6	-	6	6,000	6,000	-	7.85%	6.78%
Total - as at June 30, 2026	-	12	6	6	6,000	6,000	- -	7.85%	6.78%

6.1.1.1 These corporate sukuk bonds carry profit at the rates ranging from 10.42% to 11.04% (2025: 21.85%).

6.1.1.2 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
Gas & Oil Pakistan Limited	At maturity	1000	6 month KIBOR	1/8/2026	July 08, 2026

6.1.2 Financial assets at fair value through profit or loss - Market Treasury Bills

Issue date	Tenure	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) on re-measurement of investments	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2025	Purchases during the period	Sales / matured during the period	As at June 30, 2026					
-----Rupees in "000"-----										
May 15, 2025	3 Months	21,500	-	21,500	-	-	-	-	0.00%	0.00%
May 2, 2025	6 Months	6,000	-	6,000	-	-	-	-	0.00%	0.00%
February 6, 2025	6 Months	1,500	-	1,500	-	-	-	-	0.00%	0.00%
March 6, 2025	6 Months	3,500	-	3,500	-	-	-	-	0.00%	0.00%
June 12, 2025	6 Months	6,800	-	6,800	-	-	-	-	0.00%	0.00%

Issue date	Tenure	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) on re-measurement of investments	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2025	Purchases during the period	Sales / matured during the period	As at June 30, 2026					
-----Rupees in "000"-----										
April 17, 2025	6 Months	5,000	-	5,000	-	-	-	-	0.00%	0.00%
January 23, 2025	6 Months	4,000	-	4,000	-	-	-	-	0.00%	0.00%
June 26, 2025	6 Months	4,200	-	4,200	-	-	-	-	0.00%	0.00%
May 29, 2025	6 Months	1,100	-	1,100	-	-	-	-	0.00%	0.00%
January 9, 2025	6 Months	2,500	-	2,500	-	-	-	-	0.00%	0.00%
October 3, 2024	12 Months	4,000	-	4,000	-	-	-	-	0.00%	0.00%
August 7, 2025	1 Month	-	23,300	23,300	-	-	-	-	0.00%	0.00%
November 13, 2025	1 Month	-	27,000	27,000	-	-	-	-	0.00%	0.00%
April 16, 2026	1 Month	-	63,200	63,200	-	-	-	-	0.00%	0.00%
October 16, 2025	1 Month	-	5,100	5,100	-	-	-	-	0.00%	0.00%
October 16, 2025	1 Month	-	10,000	10,000	-	-	-	-	0.00%	0.00%
March 17, 2026	1 Month	-	6,000	6,000	-	-	-	-	0.00%	0.00%
z	1 Month	-	3,500	3,500	-	-	-	-	0.00%	0.00%
February 19, 2026	1 Month	-	9,200	9,200	-	-	-	-	0.00%	0.00%
December 26, 2025	1 Month	-	10,000	10,000	-	-	-	-	0.00%	0.00%
April 30, 2026	1 Month	-	15,000	15,000	-	-	-	-	0.00%	0.00%
January 8, 2026	03 Months	-	3,500	3,500	-	-	-	-	0.00%	0.00%
December 11, 2025	03 Months	-	34,000	34,000	-	-	-	-	0.00%	0.00%
May 14, 2026	03 Months	-	50,000	-	50,000	49,424	49,436	12	64.72%	55.89%
March 17, 2026	03 Months	-	9,400	9,400	-	-	-	-	0.00%	0.00%
August 21, 2025	03 Months	-	11,500	11,500	-	-	-	-	0.00%	0.00%
January 22, 2026	03 Months	-	9,200	9,200	-	-	-	-	0.00%	0.00%
January 22, 2026	03 Months	-	44,500	44,500	-	-	-	-	0.00%	0.00%
April 30, 2026	03 Months	-	20,000	-	20,000	19,853	19,862	9	26.00%	22.45%
September 4, 2025	06 Months	-	10,000	10,000	-	-	-	-	0.00%	0.00%
February 6, 2026	06 Months	-	1,100	-	1,100	1,089	1,088	(1)	1.42%	1.23%
July 10, 2025	06 Months	-	2,600	2,600	-	-	-	-	0.00%	0.00%
July 24, 2025	06 Months	-	4,000	4,000	-	-	-	-	0.00%	0.00%
July 24, 2025	06 Months	-	2,000	2,000	-	-	-	-	0.00%	0.00%
December 26, 2024	12 Months	-	5,000	5,000	-	-	-	-	0.00%	0.00%
October 31, 2024	12 Months	-	4,100	4,100	-	-	-	-	0.00%	0.00%
Total - as at June 30, 2026		60,100	383,200	372,200	71,100	70,366	70,386	20	92%	80%

6.1.2.1 These carry profit rates ranging from 7.87% to 10.97% (2025: 11.07% to 19.76%) per annum.

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
6.2 Net unrealized appreciation on re-measurement of investments classified as financial assets at fair value through profit or loss'	Note	----- Rupees in "000"-----									
Market value of investments	6.1.2	70,386	-	-	-	70,386	58,688	-	-	-	58,688
Less: Carrying value of investments	6.1.2	(70,366)	-	-	-	(70,366)	(58,662)	-	-	-	(58,662)
		20	-	-	-	20	26	-	-	-	26

7 PRELIMINARY EXPENSES AND FLOTATION COSTS

Cost charged	7.1	360	-	-	-	360	392	-	-	-	392
Less: Amortization for the period		(120)	-	-	-	(120)	(62)	-	-	-	(62)
Closing Balance		241	-	-	-	241	330	-	-	-	330

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

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
8 ADVANCES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES	Note	----- Rupees in "000"-----									
Security deposit-CDC		100	-	-	-	100	100	-	-	-	100
Other receivable		131	-	-	-	131	135	-	-	-	135
Advance tax	8.1	120	-	-	-	120	120	-	-	-	120
		351	-	-	-	351	354	-	-	-	354

- 8.1** The income of the Fund is exempt from income tax under clause 57(3)(viii) of part I of Second Schedule of the Income tax Ordinance,2001. Further, the Fund is exempt 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 Pension Fund Manager is confident that the same shall be refunded after filing refund application.

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
9 PROFIT RECEIVABLE		----- Rupees in "000"-----									
Bank Al Falah Limited		77	-	-	-	77	23	-	-	-	23
United Bank Limited		49	-	-	-	49	13	-	-	-	13
Corporate Sukuk Bonds		312	-	-	-	312	-	-	-	-	-
		438	-	-	-	438	36	-	-	-	36

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
10 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED	Note	----- Rupees in "000"-----									
- PENSION FUND MANAGER											
Remuneration Payable	10.1	-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax payable	10.2	-	-	-	-	-	-	-	-	-	-
Formation cost payable	10.3	-	-	-	-	-	460	-	-	-	460
		-	-	-	-	-	460	-	-	-	460

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

10.2 The Sindh Sales Tax is charged at the rate of 15% on the remuneration to the Pension Fund Manager through Sindh Sales Tax Act, 2011.

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

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
11 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN-TRUSTEE	Note	----- Rupees in "000"-----									
Remuneration Payable	11.1	-	-	-	-	-	6	-	-	-	6
Sindh Sales Tax Payable		-	-	-	-	-	1	-	-	-	1
		-	-	-	-	-	7	-	-	-	7

11.1 Remuneration including Sindh sales tax payable to Central Depository Company of Pakistan Limited is borne by the Pension Fund Manager.

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
12 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- Rupees in "000"-----									
Annual fee payable	12.1	29	-	-	-	29	20	-	-	-	20
		29	-	-	-	29	20	-	-	-	20

12.1 This represents annual fee payable to Securities And Exchange Commission of Pakistan in accordance with the Rule 36 of the VPS Rules, 2005 whereby the Fund is required to pay SECP an amount equal to one Twenty-Fifth of 1% (June 30, 2025: one twenty-Fifth of 1%) of average annual net asset value.

		June 30, 2026					June 30, 2025				
		Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
13 ACCRUED EXPENSES AND OTHER LIABILITIES		----- Rupees in "000"-----									
Audit Fee Payable		126	-	-	-	126	56	-	-	-	56
Withholding tax payable		6	-	-	-	6	8	-	-	-	8
Legal Fees		87	-	-	-	87	9	-	-	-	9
Other Liabilities		52	124	148	148	471	36	124	148	148	456
		270	124	148	148	690	110	124	148	148	530

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 (June 30, 2025 : Nil).

15 CONTRIBUTION TABLE

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

From:	June 30, 2026										June 30, 2025									
	Money Market Sub-Fund		Debt Sub-Fund		Equity Sub-Fund		Equity Index Sub-Fund		Total		Money Market Sub-Fund		Debt Sub-Fund		Equity Sub-Fund		Equity Index Sub-Fund		Total	
	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")	(Units)	(Rupees in "000")
Individuals	166,859	22,234	-	-	-	-	-	-	166,859	22,234	128,590	15,151	-	-	-	-	-	-	128,590	15,151
HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sponsor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

16 NUMBER OF UNITS IN ISSUE

	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
	(Number of units)									
Total units outstanding at beginning of the period	466,879	5,000	5,000	5,000	481,879	338,289	5,000	5,000	5,000	353,289
Units issued during the period	166,859	-	-	-	166,859	128,590	-	-	-	128,590
Units redeemed during the period	-	-	-	-	-	-	-	-	-	-
Total units in issue at the end of the period	633,738	5,000	5,000	5,000	648,738	466,879	5,000	5,000	5,000	481,879

	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Total
	Rupees in "000"									
Annual audit fee	431	-	-	-	-	72	-	-	-	-
Out-of-Pocket Expense	43	-	-	-	-	14	-	-	-	-
Fee for half yearly review	34	-	-	-	-	58	-	-	-	-
	508	-	-	-	-	144	-	-	-	-

17 AUDITOR'S REMUNERATION

18 BASIS OF ALLOCATION OF EXPENSES TO EACH SUB-FUND

18.1 Remuneration to the Pension Fund Manager and remuneration to the Trustee is allocated to each sub-fund on the basis of net assets of the sub-fund.

18.2 Formation Cost shall be divided equally among all the sub-funds operative.

18.3 Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription, brokerage and transaction costs, bank charges and all direct expenses of sub fund, shall be charged to the pertinent sub-funds.

18.4 Legal costs, audit fees and annual fees payable to the Commission and any other common expenses in accordance with the VPS Rules and NBFC Regulations, and as defined in the Constitutive documents, shall be charged to the pertinent sub-funds in proportion to their respective net assets.

19 TAXATION

The income of the Fund is exempt from income tax under clause 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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.

20. FINANCIAL INSTRUMENTS BY CATEGORY

Particular	Money Market Sub Fund			Debt Sub-Fund			Equity Sub Fund			Equity Index Sub Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000 -----												
Financial assets												
Balances with banks	-	11,335	11,335	-	624	624	-	648	648	-	648	648
Investments												
Cooperate Sukuk bonds	6,000	-	6,000	-	-	-	-	-	-	-	-	-
Market treasury Bills	70,386	-	70,386	-	-	-	-	-	-	-	-	-
Profit / Mark-up receivable	-	438	438	-	-	-	-	-	-	-	-	-
Deposits and other receivable	-	231	231	-	-	-	-	-	-	-	-	-
	<u>76,386</u>	<u>12,004</u>	<u>88,390</u>	<u>-</u>	<u>624</u>	<u>624</u>	<u>-</u>	<u>648</u>	<u>648</u>	<u>-</u>	<u>648</u>	<u>648</u>
Financial liabilities												
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	264	264	-	124	124	-	148	148	-	148	148
	<u>-</u>	<u>264</u>	<u>264</u>	<u>-</u>	<u>124</u>	<u>124</u>	<u>-</u>	<u>148</u>	<u>148</u>	<u>-</u>	<u>148</u>	<u>148</u>

June 30, 2025

Particular	Money Market Sub Fund			Debt Sub-Fund			Equity Sub Fund			Equity Index Sub Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000 -----												
Financial assets												
Balances with banks	-	287	287	-	624	624	-	648	648	-	648	648
Investments												
Cooperate Sukuk bonds	58,688	-	58,688	-	-	-	-	-	-	-	-	-
Market treasury Bills	-	-	-	-	-	-	-	-	-	-	-	-
Profit / Mark-up receivable	-	4	4	-	-	-	-	-	-	-	-	-
Deposits and other receivable	-	235	235	-	-	-	-	-	-	-	-	-
	<u>58,688</u>	<u>526</u>	<u>59,214</u>	<u>-</u>	<u>624</u>	<u>624</u>	<u>-</u>	<u>648</u>	<u>648</u>	<u>-</u>	<u>648</u>	<u>648</u>

June 30, 2025												
Particular	Money Market Sub Fund			Debt Sub-Fund			Equity Sub Fund			Equity Index Sub Fund		
	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total	At fair value through profit or loss	Amortised cost	Total
-----Rupees in '000-----												
Financial liabilities												
Payable to HBL Asset Management Limited - Pension Fund Manager	-	460	460	-	-	-	-	-	-	-	-	-
Payable to Central Depository Company of Pakistan Limited - Trustee	-	7	7	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	102	102	-	124	124	-	148	148	-	148	148
	-	569	569	-	124	124	-	148	148	-	148	148

21 TRANSACTIONS WITH RELATED PARTY/CONNECTED PERSONS

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

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

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

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

21.1 Transactions during the period

	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total	Money Market Sub-Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
----- (Rupees in "000") -----										
HBL Asset Management Limited - Pension Fund Manager										
Remuneration of HBL Asset Management Limited- Pension Fund Manager	-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax on remuneration of HBL Asset - Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-
Preliminary expenses and floatation costs	90	-	-	-	90	62	-	-	-	62
Central Depository Company of Pakistan Limited - Trustee										
Remuneration to the Central Depository Company	108	-	-	-	108	73	-	-	-	73
of Pakistan Limited- Trustee										
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	16	-	-	-	16	11	-	-	-	11

	June 30, 2026					June 30, 2025				
	Money Market Sub-Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total	Money Market Sub-Fund	Debt Sub Fund	Equity Sub Fund	Equity Index Sub Fund	Total
22.2 Balances outstanding as at period end	(Rupees in "000")					(Rupees in "000")				
HBL Asset Management Limited - Pension Fund Manager										
Remuneration of HBL Asset Management Limited- Pension Fund Manager	-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax on remuneration of HBL Asset - Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-
Formation cost payable to the HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-	460	-	-	-	460
HBL Asset Management Limited - Pension Fund Manager										
Seed Capital Units held	300,000	5,000	5,000	5,000	315,000	300,000	5,000	5,000	5,000	315,000
Amount of Seed Capital Units held	41,872	500	500	500	43,372	37,969	500	500	500	39,469
Central Depository Company of Pakistan Limited - Trustee										
Remuneration to Central Depository Company of Pakistan Limited- Trustee	-	-	-	-	-	6	-	-	-	6
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	1	-	-	-	1

22 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 Board of Directors (the Board) of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Pension Fund Manager, Fund's constitutive documents and the regulations and directives of the SECP. The 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 Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

22.1 Market risk

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

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee. The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

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

22.1.1 Currency risk

This 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 its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistan Rupees.

22.1.2 Interest rate Risk

Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

22.1.3 a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the year would have increased / (decreased) by Rs. 111,029 for Money Market Sub-Fund, Rs. 5,436 for Debt Sub Fund, Rs. 5,540 for Equity Sub-Fund, Rs. 5,540 for Equity Index Sub-Fund, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

The Fund's investment in Market Treasury Bills and Corporate Sukuk exposes it to fair value interest rate risk.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time.

22.1.4 Price Risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to factors specific to the individual financial instrument or its issuer such as, change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, or factors affecting all similar financial instruments traded in the market such as changes in the industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to achieve long term capital growth by investing primarily in equity securities. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio.

The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP. The Fund does not hold any instrument that is exposed to price risk.

22.2 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. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager'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. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. 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 net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The settlement system is a T+1 system, which means that proceeds from sales (to pay off redemptions) of holdings will generally be received on the next business day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request 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. No redemptions were made during the period.

22.3 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in corporate sukuk bonds, and bank deposit. Risks attributable to investments in Market Treasury Bills are limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating. The risk of default is considered minimal due to interest systematic measures taken therein.

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

Name of bank / institutions	Balances held by the Fund as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
(Rupees in "000")			(Rupees in "000")			
Balances with banks by rating category						
Money Market Sub-Fund						
Bank Alfalah Limited	4,729	A-1+	PACRA	1,119	A-1+	PACRA
United Bank Limited	6,607	A-1+	VIS	-	-	-
Debt Sub-Fund						
Bank Alfalah Limited	624	A-1+	PACRA	543	A-1+	PACRA
Equity Sub-Fund						
Soneri Bank Limited	648	A-1+	PACRA	543	A-1+	PACRA
Equity Index Sub-Fund						
Soneri Bank Limited	648	A-1+	PACRA	554	A-1+	PACRA
Corporate Sukuk Bonds						
Gas & Oil Pakistan Limited	6,000	A-1+	PACRA	-	-	-

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

	2026	2025
	----- (Percentage) -----	
Rating by rating category		
A-1+	100.00	100.00

Concentration of credit risk

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

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

The following tables show the carrying amounts and fair values of financial assets and financial liabilities held as at June 30, 2026 including their levels in the fair value hierarchy:

		Held by Money Market Sub-Fund													
		June 30, 2026							June 30, 2025						
		Carrying amount			Fair value				Carrying amount			Fair value			
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	Note	----- Rupees in "000" -----													
Investment															
Corporate Sukuks		6,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-
Treasury Bills		70,386	-	70,386	-	70,386	-	70,386	58,688	-	58,688	-	58,688	-	58,688
		76,386		76,386	-	70,386	-	70,386	58,688	-	58,688	-	58,688	-	58,688
Financial assets not measured at fair value															
Bank balances	23.1	-	11,335	11,335	-	-	-	-	-	287	287	-	-	-	-
Profit / Mark-up receivable	23.1	-	438	438	-	-	-	-	-	4	4	-	-	-	-
		-	11,772	11,772		-		-	-	291	291		-		-
Financial liabilities not measured at fair value	23.1														
Payable to the HBL Asset Management Limited- Pension Fund Manager		-	-	-	-	-	-	-	-	460	460	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited- Trustee		-	-	-	-	-	-	-	-	7	7	-	-	-	-
Accrued expenses and other liabilities		-	264	264	-	-	-	-	-	102	102	-	-	-	-
		-	264	264	-	-	-	-	-	569	569	-	-	-	-
		Held by Debt Sub-Fund													
		June 30, 2026							June 30, 2025						
		At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
		----- Rupees in "000" -----													
Financial assets not measured at fair value	23.1														
Bank balances		-	624	624	-	-	-	-	-	624	624	-	-	-	-
Profit / Mark-up receivable		-	-	-					-	-	-				
		-	624	624	-	-	-	-	-	624	624	-	-	-	-
Financial liabilities not measured at fair value	23.1														
Payable to the HBL Asset Management Limited- Pension Fund Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited- Trustee		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	124	124	-	-	-	-	-	124	124	-	-	-	-
		-	124	124	-	-	-	-	-	124	124	-	-	-	-

		Held by Equity Sub-Fund													
		June 30, 2026							June 30, 2025						
		Carrying Amount			Fair Value				Carrying Amount			Fair Value			
		At fair value	At		Level 1	Level 2	Level 3	Total	At fair value	At		Level 1	Level 2	Level 3	Total
		through	amortised	Total					through	amortised	Total				
		profit or loss	cost						profit or loss	cost					
Note		----- Rupees in "000" -----													
Financial assets not measured at fair value	23.1														
Bank balances		-	648	648	-	-	-	-	-	648	648	-	-	-	-
Profit / Mark-up receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	648	648	-	-	-	-	-	648	648	-	-	-	-
Financial liabilities not measured at fair value	23.1														
Payable to the HBL Asset Management Limited- Pension Fund Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited- Trustee		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	148	148	-	-	-	-	-	148	148	-	-	-	-
		-	148	148	-	-	-	-	-	148	148	-	-	-	-

		Held by Equity Index Sub-Fund													
		June 30, 2026							June 30, 2025						
		Carrying Amount			Fair Value				Carrying Amount			Fair Value			
		At fair value	At	Total	Level 1	Level 2	Level 3	Total	At fair value	At	Total	Level 1	Level 2	Level 3	Total
		through	amortised						through	amortised					
		profit or loss	cost						profit or loss	cost					
Note		----- Rupees in "000" -----													
Financial assets not measured at fair value	23.1														
Bank balances		-	648	648	-	-	-	-	-	648	648	-	-	-	-
Profit / Mark-up receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	648	648	-	-	-	-	-	648	648	-	-	-	-
Financial liabilities not measured at fair value	23.1														
Payable to the HBL Asset Management Limited- Pension Fund Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan Limited- Trustee		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities		-	148	148	-	-	-	-	-	148	148	-	-	-	-
		-	148	148	-	-	-	-	-	148	148	-	-	-	-

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

24 PARTICIPANTS' FUND RISK MANAGEMENT (CAPITAL RISK)

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds.

In accordance with the risk management policies, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradeable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in respective such sub-fund, in his/her individual pension account (IPA).

25 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	Sunny Kumar	Head of Equities	B. Com	8
5	Hammad Ali Abbas	Senior Fund Manager	MSC	22
6	Wasim Akram	Senior Fund Manager	MBA	22
7	Nida Siddiqui	Assistant Fund Manager	MBA	1

26 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE PENSION FUND MANAGER

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			Meeting 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	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
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	-	-

27 TOTAL EXPENSE RATIO

The total expense ratio of the pension fund as prescribed in the offering document is capped as of 1%, 1.75%, 0.75% and 0.75% for TER excluding insurance charges and separate cap for insurance charges of 0.25% for Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund & Money Market Sub Fund. Based on the current period results the total expense ratio is as follows:

	June 30, 2026				June 30, 2025			
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund
Annualized Total Expense Ratio	0.61%	-	-	-	0.73%	-	-	-
Government levy and SECP fees	0.06%	-	-	-	0.05%	-	-	-

28 PERFORMANCE TABLE

Performance Information

Net Assets

Net Assets Value Per Unit

Net Income after Taxation

Realized Gain/Loss

Un-Realized Gain/loss

Net Contribution

	June 30, 2026				June 30, 2025			
	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund	Money Market Sub-Fund	Debt Sub-Fund	Equity Sub-Fund	Equity Index Sub-Fund
	----- Rupees in "000" -----							
	88,452	500	500	500	59,090	500	500	500
	139.5721	100.0000	100.0000	100.0000	126.5634	100.0000	100.0000	100.0000
	7,127	-	-	-	6,260	-	-	-
	(2)	-	-	-	(2)	-	-	-
	(7)	-	-	-	26	-	-	-
	22,234	-	-	-	151,151	-	-	-
	----- (Rupees per unit) -----							
Highest Issue Price	139.5721	100.0000	100.0000	100.0000	126.5634	100.0000	100.0000	100.0000
Lowest Issue Price	126.5634	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000	100.0000

29 GENERAL

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

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

30 DATE OF AUTHORISATION FOR ISSUE

30.1 These financial statements were authorized for issue to Pension Fund Manager on **August 27, 2026**.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



KPK Islamic Pension Fund

FUND INFORMATION

NAME OF FUND	HBL KPK Islamic Pension 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	Bank of Khayber Habib Bank Ltd.

**CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED**

Head Office:

CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shakra-e-Faisal
Karachi - 74400, Pakistan.

Tel: (92-21) 111-111-500

Fax: (92 21) 34326021 - 23

URL: www.cdcpakistan.com

Email: info@cdcpak.com



TRUSTEE REPORT TO THE PARTICIPANTS

HBL KPK ISLAMIC PENSION FUND

**Report of the Trustee pursuant to Regulation 67D in conjunction with Regulation 41(h) of
the Non-Banking Finance Companies and Notified Entities Regulations, 2008**

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL KPK Islamic Pension Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Pension Fund Manager has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the constitutive documents of the Fund, the Voluntary Pension System Rules, 2005 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

Further, in our opinion, 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.


Badiuddin Akber

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, September 30, 2026





STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL KPK Islamic Pension 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



AHSA/SSR/HBLAMC/HBLIKPKPF/640

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 KPK Pension Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic KPK Pension 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



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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS OF HBL KPK ISLAMIC PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL KPK Islamic Pension 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 participants' sub funds 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.

Information other than the Financial Statements and Auditor's Report thereon

The Pension Fund Manager ("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 Pension Fund Manager and Board of Directors of the Pension Fund Manager for the Financial Statements

The Pension Fund Manager of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.
- Conclude on the appropriateness of the Pension Fund Manager's use of the going concern basis of 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 Pension Fund Manager 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 Pension Fund Manager 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 Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Voluntary Pension System Rules, 2005.

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

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166tES3x9FAW


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL KPK Islamic Pension Fund
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 31, 2026

	Note	June 30, 2026					June 30, 2025				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
ASSETS		----- Rupees in '000' -----									
Balances with bank	5	547	547	547	20,268	21,909	547	547	547	920	2,561
Investments	6	-	-	-	76,984	76,984	-	-	-	57,168	57,168
Profit and other receivable	7	8	8	8	1,094	1,118	8	8	8	628	652
Preliminary expenses and floatation costs	8	-	-	-	241	241	-	-	-	331	331
Receivable from the HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-	-	-	-	204	204
Deposits	9	-	-	-	100	100	-	-	-	100	100
TOTAL ASSETS		555	555	555	98,687	100,352	555	555	555	59,351	61,016
LIABILITIES											
Payable to the HBL Asset Management Limited - Pension Fund Manager	10	-	-	-	-	-	-	-	-	460	460
Payable to the Central Depository Company of Pakistan - Trustee	11	-	-	-	-	-	-	-	-	7	7
Annual fee payable to the Securities and Exchange Commission of Pakistan	12	-	-	-	30	30	-	-	-	20	20
Accrued expenses and other liabilities	13	55	55	55	75	240	55	55	55	105	270
TOTAL LIABILITIES		55	55	55	106	271	55	55	55	592	757
NET ASSETS		500	500	500	98,581	100,081	500	500	500	58,759	60,259
PARTICIPANTS' SUB FUNDS (AS PER STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB FUNDS)		500	500	500	98,581	100,081	500	500	500	58,759	60,259
CONTINGENCIES AND COMMITMENTS	14										
		----- Number of units -----									
Number of units in issue	15	5,000	5,000	5,000	725,548		5,000	5,000	5,000	469,392	
		----- Rupees in '000' -----									
Net assets value per unit		100.0000	100.0000	100.0000	135.8705		100.0000	100.0000	100.0000	125.1803	

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
132

Director

HBL KPK Islamic Pension Fund
Income Statement
FOR THE YEAR ENDED JUNE 30, 2026

		June 30, 2026					June 30, 2025				
		Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Income	Note	Rupees in '000'									
Income from investments		-	-	-	6,809	6,809	-	-	-	6,687	6,687
Mark-up on bank deposits		-	-	-	1,185	1,185	-	-	-	219	219
Capital gain/(loss) on sale of investment		-	-	-	(1)	(1)	-	-	-	(494)	(494)
		-	-	-	7,993	7,993	-	-	-	6,412	6,412
Unrealised appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net	6.2	-	-	-	(266)	(266)	-	-	-	52	52
		-	-	-	7,727	7,727	-	-	-	6,464	6,464
Expenses											
Remuneration of the HBL Asset Management Limited - Management Company		-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax on remuneration of the HBL Asset Management Limited - Pension Fund Manager		-	-	-	-	-	-	-	-	-	-
Remuneration of the Central Depository Company - Trustee		-	-	-	114	114	-	-	-	73	73
Sindh Sales Tax on remuneration to Central Depository Company - Trustee		-	-	-	17	17	-	-	-	11	11
Annual fee to the Securities and Exchange Commission of Pakistan		-	-	-	30	30	-	-	-	20	20
Amortisation of preliminary expenses and floatation costs		-	-	-	90	90	-	-	-	61	61
Auditors' remuneration	16	-	-	-	508	508	-	-	-	150	150
Shariah advisory fee		-	-	-	-	-	-	-	-	97	97
Legal and professional charges		-	-	-	-	-	-	-	-	183	183
Reversal against reimbursement from Pension Fund Manager		-	-	-	-	-	-	-	-	(204)	(204)
Other expenses		-	-	-	135	135	-	-	-	34	34
Total expenses		-	-	-	894	894	-	-	-	425	425
Net income for the year before taxation		-	-	-	6,833	6,833	-	-	-	6,039	6,039
Taxation	18	-	-	-	-	-	-	-	-	-	-
Net income for the year		-	-	-	6,833	6,833	-	-	-	6,039	6,039

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
133

Director

HBL KPK Islamic Pension Fund
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 31, 2026

	June 30, 2026					June 30, 2025				
	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- Rupees in '000' -----									
Net income for the year	-	-	-	6,833	6,833	-	-	-	6,039	6,039
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,833</u>	<u>6,833</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,039</u>	<u>6,039</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
134

Director

HBL KPK Islamic Pension Fund
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026					June 30, 2025				
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000') -----									
Net assets at the beginning of the year	500	500	500	58,759	60,259	500	500	500	37,060	38,560
Amount received on issue of units (Number of units: 740,548, June 2025: 484,392)	-	-	-	32,989	32,989	-	-	-	15,660	15,660
Net income for the year	-	-	-	6,833	6,833	-	-	-	6,039	6,039
Net assets at the end of the year	<u>500</u>	<u>500</u>	<u>500</u>	<u>98,581</u>	<u>100,081</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>58,759</u>	<u>60,259</u>

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
135

Director

HBL KPK Islamic Pension Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	June 30, 2026					June 30, 2025				
	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES	Note									
	Rupees in '000'									
Net income for the year before taxation	-	-	-	6,833	6,833	-	-	-	6,039	6,039
Adjustments for:										
Income from Government securities	-	-	-	(6,809)	(6,809)	-	-	-	(6,687)	(6,687)
Mark-up on bank deposits	-	-	-	(1,185)	(1,185)	-	-	-	(219)	(219)
Amortisation of preliminary expenses and floatation costs	-	-	-	90	90	-	-	-	61	61
Unrealised (appreciation) / diminution on re-measurement of investments classified as 'fair value through profit or loss' - net	-	-	-	266	266	-	-	-	(52)	(52)
	-	-	-	(805)	(805)	-	-	-	(858)	(858)
(Increase) / Decrease in assets										
Investments - net	-	-	-	(20,435)	(20,435)	-	-	-	(27,337)	(27,337)
Profit and other receivable	-	-	-	(466)	(466)	-	-	-	(33)	(33)
Receivable from the HBL Asset Management Limited - Pension Fund Manager	-	-	-	204	204	-	-	-	(204)	(204)
Deposits	-	-	-	-	-	-	-	-	-	-
	-	-	-	(20,697)	(20,697)	-	-	-	(27,574)	(27,574)
Increase / (Decrease) in liabilities										
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	-	-	(460)	(460)	-	-	-	-	-
Payable to the Central Depository Company of Pakistan - Trustee	-	-	-	(7)	(7)	-	-	-	(1)	(1)
Payable to Securities and Exchange Commission of Pakistan	-	-	-	11	11	-	-	-	12	12
Accrued expenses and other liabilities	-	-	-	(30)	(30)	-	-	-	49	49
	-	-	-	(486)	(486)	-	-	-	60	60
Cash used in operations	-	-	-	(21,988)	(21,988)	-	-	-	(28,372)	(28,372)
Income received from Government securities	-	-	-	7,299	7,299	-	-	-	6,472	6,472
Mark-up received on bank deposits	-	-	-	1,048	1,048	-	-	-	437	437
Net cashflows (used in) / generated from operating activities	-	-	-	(13,641)	(13,641)	-	-	-	(21,463)	(21,463)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts from issue of units	-	-	-	32,989	32,989	-	-	-	15,660	15,660
Payment against redemption of units	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-
Net cash generated from financing activities	-	-	-	32,989	32,989	-	-	-	15,660	15,660
Net increase in cash and cash equivalents during the year	-	-	-	19,348	19,348	-	-	-	(5,803)	(5,803)
Cash and cash equivalents at the beginning of the year	547	547	547	920	2,561	547	547	547	6,723	8,364
Cash and cash equivalents at the end of the year	547	547	547	20,268	21,909	547	547	547	920	2,561

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
136

Director

HBL KPK Islamic Pension Fund
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL KPK Islamic Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited as Trustee. The Central Depository Company of Pakistan Limited was appointed as a trustee for the Fund by SECP on June 22, 2023. The Trust Deed is approved by the Securities and Exchange Commission of Pakistan (SECP) on September 12, 2023 under the Voluntary Pension System (VPS) Rules, 2005. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021 and was launched on December 14, 2023.
- 1.2** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.3** The Fund is an unlisted pension scheme and units are offered on a continuous basis to employees of KPK Government appointed / recruited under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 or an employee of KPK Government regularize as Civil Servant through any legal instrument issued after coming in to force of the Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022 irrespective of the effective date of regularization. The units are non-transferable except in the circumstances mentioned in VPS Rules and KPK Act 2022 and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.
- 1.4** The Fund consists of four sub-funds namely; Equity Index Sub Fund, Equity Sub Fund, Debt Sub Fund and Money Market Sub Fund (collectively the "Sub-Funds"). Under the KPK Civil Servants Act 2022, the contribution by or on behalf of the employee for the first three years from the date of launch of the fund shall be invested 100% in Money Market Sub Fund only and the remaining sub-funds shall remain in operative till then. Moreover, in the remaining three sub funds (Equity Index Sub Fund, Equity Sub Fund and Debt Sub Fund) only seed capital be injected by the Pension Fund Manager which would remain invested till three years from the launch date of the Fund. Following the initial three years of appointment/ recruitment under Khyber Pakhtunkhwa Civil Servants (Amendment) Act 2022, KPK employees are eligible to change their allocation as per the life cycle allocation scheme. In cases where an employee fails to specify their asset allocation preferences, the pension fund manager, taking into consideration the employee's profile and age, will allocate the contribution to the default Asset Allocation Scheme outlined in the offering document and the KPK Rules, 2022.
- 1.5** Except for the departure from investment policy provided in the offering document, where the Pension Fund Manager shall place the seed capital amount of all sub-funds other than Money market Sub-Fund in a separate bank account in a commercial bank having at least such rating as prescribed thereunder for first three years from the date of launch of the Pension Fund, the investment shall be made as per the investment policy mentioned in the offering document. The investment policy for each of the sub-funds is as follows:
- The investment Objective of the Equity Index Sub-Fund is to provide investors an opportunity to track closely the performance of the KMI-30 by investing in companies of the Index in proportion to their weightages. The Index Sub-fund shall strive to remain fully invested in accordance with the stated index, however, under no circumstances shall it be invested less than 85% of its net assets in securities covered in the index or its subset during the year based on monthly average investment calculated on a daily basis. The un invested amount shall be kept in cash and/or near cash instruments where near cash instruments include cash in bank account (excluding TDRs), and Government securities not exceeding 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Equity Sub Fund of the Pension Fund is to earn returns from investments in Pakistani Capital Markets. Assets of Equity Sub Fund shall be invested in Shariah compliant equity securities which are listed on Pakistan Stock Exchange (PSX) or in units of Shariah compliant Real Estate Investment Trusts and Exchange Traded Funds provided that entity/sector/group exposure limits as prescribed are complied with at least ninety percent (90%) of Net Assets of Equity Sub Fund shall remain invested in listed equity securities during the year based on rolling average investment of last ninety (90) days calculated on daily basis. Investment in a single company is restricted to lower of 15% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 35% of NAV or index weight, subject to a maximum of 40% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Debt Sub Fund is to earn returns from investments in Shariah compliant debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. The Debt Sub-Fund consists of tradable debt securities with weighted average duration of the investment portfolio of the sub-fund not exceeding five years. At least twenty five percent (25%) of the net assets in the sub-fund shall be invested in debt securities issued by the Federal Government not exceeding 90 days' maturity. Exposure to any single entity or debt securities of a single entity shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. Composition of the remaining portion of the investments shall be as defined in the offering document;
 - The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund. The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding 90 days. Time to maturity of any assets in the portfolio shall not exceed six months. Exposure to any single entity or securities of a single entity, with the exception of those issued by the Federal Government, shall not exceed 15% of NAV whereas, investment in a single stock exchange sector is restricted to 25% of NAV. However, at all times, at least 10% of the NAV of the Sub-Fund shall be invested scheduled commercial banks having prescribed ratings or government securities having upto 90 days maturity. Composition of the remaining portion of the investments shall be as defined in the offering document.

1.6 VIS Credit Rating Agency has assigned management quality rating of 'AM1 (VIS)' on December 31, 2025 to the Pension Fund Manager.

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:

- 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
- Voluntary Pension System Rules, 2005 (The VPS Rules), Voluntary Pension System Part V of Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differs from the IFRS, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules, NBFC Rules, 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 Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to 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 Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to 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
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.

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 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 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.

4.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. 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.

4.2.5 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.

Regular way purchase/sale of financial assets

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.

4.2.6 Financial liabilities

The Fund measures its financial liabilities at amortised cost (AC) 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.

4.2.7 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 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 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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

4.5 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the applications received by the distributors / Pension Fund Manager 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 Pension Fund Manager.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Pension Fund Manager 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, any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.6 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.

4.7 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 circulation as at the year end.

4.8 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.

4.9 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 revaluation of securities classified as financial assets 'at FVPL' and 'at FVOCI' are recognised in the Income Statement and other comprehensive income respectively, in the period in which these arise.
- Profit on balances with banks is recognised on time proportion basis.

4.10 Expenses

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

4.11 Transactions with related parties / connected persons

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

Remuneration to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

			June 30, 2026					June 30, 2025				
			Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
5	Balances with bank	Note	----- Rupees in '000' -----									
	In saving accounts	5.1	547	547	547	20,268	21,909	547	547	547	920	2,561

5.1 These accounts carry profit rates ranging from 7.5% to 11.30% per anum. (2025: 7% to 10% per anum.)

		June 30, 2026					June 30, 2025				
		Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
6 INVESTMENTS	Note	----- Rupees in '000' -----									
At fair value through profit or loss	6.1	-	-	-	76,984	76,984	-	-	-	57,168	57,168
6.1 Financial assets at fair value through profit or loss											
Corporate Sukuk Bond	6.1.1	-	-	-	13,000	13,000	-	-	-	11,000	11,000
GOP Ijara Sukuk	6.1.2	-	-	-	63,984	63,984	-	-	-	46,168	46,168
		-	-	-	76,984	76,984	-	-	-	57,168	57,168

6.1.1 Corporate Sukuk Bond

Name of Investee Funds	Total units as at July 1, 2025	Purchases made during the year	Sales made during the year	Total units as at June 30, 2026	Total carrying value as at June 30, 2026	Total market value as at June 30, 2026	Unrealised appreciation / (diminution) on re-measurement of investment	Market value as a percentage of net assets	Market value as a percentage of total value of investment
----- Number of units -----					----- Rupees in '000' -----				
Money Market Sub-Fund									
EFLSC6	1	-	(1)	-	-	-	-	0.0%	0.0%
LEPCLSC21	6	-	(6)	-	-	-	-	0.0%	0.0%
PTCSTSI	4	-	(4)	-	-	-	-	0.0%	0.0%
EFLSTS	-	1	(1)	-	-	-	-	0.0%	0.0%
LEPCLSTS22	-	7	(7)	-	-	-	-	0.0%	0.0%
PTCLSC16	-	4	(4)	-	-	-	-	0.0%	0.0%
PTCLSC16B	-	2	-	2	2,000	2,000	-	3.4%	2.6%
PTCLSTS18	-	7	-	7	7,000	7,000	-	11.9%	9.1%
PTCLSTSB	-	4	-	4	4,000	4,000	-	6.8%	5.2%
Total as at June 30, 2026	11	25	(23)	13	13,000	13,000	-	22%	17%
Total as at June 30, 2025	5	11	(5)	11	11,000	11,000	-	19%	19%

6.1.1.1 These corporate sukuk bonds, carry profit at the ranging from 10.39% to 11.92% (2025: 11.26% to 12.12%) per annum.

6.1.1.2 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) -----					
Pakistan Telecommunication Company Limited	At Maturity	1,000	3 month KIBOR	09-Jan-26	1/9/2026
Pakistan Telecommunication Company Limited	At Maturity	1,000	6 month KIBOR	17-Mar-26	9/17/2026
Pakistan Telecommunication Company Limited	At Maturity	1,000	6 month KIBOR	13-Apr-26	10/13/2026

6.1.2 GOP Ijara Sukuk

Issue date	Tenure	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation on re-measurement of investments	Market value as a percentage of net assets	Market value as a percentage of total value of investment
		As at July 1, 2025	Purchases during the year	Sales / matured during the year	As at June 30, 2026					
-----Rupees in '000'-----										
Money Market Sub Fund										
7-Nov-24	12 months	2,000	-	2,000	-	-	-	-	0%	0%
15-Aug-24	12 months	600	-	600	-	-	-	-	0%	0%
21-Oct-24	12 months	9,000	-	9,000	-	-	-	-	0%	0%
25-Jul-24	12 months	11,500	-	11,500	-	-	-	-	0%	0%
2-May-25	12 months	15,000	-	15,000	-	-	-	-	0%	0%
29-Jul-20	5 Years	9,700	-	9,700	-	-	-	-	0%	0%
26-Jun-25	12 months	-	8,400	8,400	-	-	-	-	0%	0%
30-Apr-26	12 months	-	11,000	-	11,000	10,025	10,022	(3)	17%	13%
9-Jan-25	12 months	-	16,000	16,000	-	-	-	-	0%	0%
9-Feb-26	12 months	-	7,750	-	7,750	7,327	7,235	(92)	12%	9%
21-Aug-25	12 months	-	23,500	-	23,500	23,195	23,150	(45)	39%	30%
30-Sep-25	12 months	-	3,200	-	3,200	3,125	3,116	(9)	5%	4%
29-Oct-21	5 Years	-	14,000	-	14,000	13,972	13,964	(8)	24%	18%
15-Dec-21	5 Years	-	6,500	-	6,500	6,606	6,497	(109)	11%	8%
26-Jun-25	1 Year	-	8,400	8,400	-	-	-	-	0%	0%
Total - as at June 30, 2026		47,800	98,750	80,600	65,950	64,250	63,984	(266)	109%	83%
Total - as at June 30, 2025		24,781	47,800	(24,781)	47,800	46,116	46,168	52	79%	81%

6.1.2.1 These GOP ijarah sukuk, carry profit at the ranging from 9.33% to 18.49% (2025: 8.24% to 22.49%) per annum.

6.2 Net unrealised appreciation on re-measurement of investments classified as Financial Assets 'Fair Value through profit or loss'

	June 30, 2026					June 30, 2025				
Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
	Rupees in '000'					Rupees in '000'				
Market value of investments	-	-	-	76,984	76,984	-	-	-	57,168	57,168
Less: Carrying value of investments	-	-	-	77,250	77,250	-	-	-	57,116	57,116
	-	-	-	(266)	(266)	-	-	-	52	52

7 PROFIT AND OTHER RECEIVABLE

June 30, 2026					June 30, 2025				
Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees in '000' -----									
8	8	8	144	168	8	8	8	7	31
-	-	-	-	-	-	-	-	490	490
-	-	-	131	131	-	-	-	131	131
			819	819					
8	8	8	1,094	1,118	8	8	8	628	654

8 PRELIMINARY EXPENSES AND FLOATATION COSTS

Note

June 30, 2026					June 30, 2025				
Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- Rupees in '000' -----									
-	-	-	331	331	-	-	-	392	392
-	-	-	(90)	(90)	-	-	-	(61)	(61)
-	-	-	241	241	-	-	-	331	331

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

9 DEPOSITS

Notes

June 30, 2026					June 30, 2025				
Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
-----Rupees in '000'-----									
-	-	-	100	100	-	-	-	100	100
-	-	-	100	100	-	-	-	100	100

10 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - PENSION FUND MANAGER

Remuneration payable to the Pension Fund Manager
Sindh Sales Tax payable on Pension Fund Manager's remuneration
Formation cost payable to AMC

10.1

Remuneration payable to the Pension Fund Manager	-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax payable on Pension Fund Manager's remuneration	-	-	-	-	-	-	-	-	-	-
Formation cost payable to AMC	-	-	-	-	-	-	-	-	460	460
	-	-	-	-	-	-	-	-	460	460

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

11	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	June 30, 2026					June 30, 2025				
			Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
			----- Rupees in '000' -----									
	Remuneration payable to Trustee	11.1	-	-	-	-	-	-	-	-	6	6
	Sindh Sales Tax payable on remuneration of Trustee		-	-	-	-	-	-	-	-	1	1
			-	-	-	-	-	-	-	-	7	7

11.1 The remuneration payable to the Central Depository Company of Pakistan Limited (CDC) is borne by the Pension Fund Manager.

12	PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	June 30, 2026					June 30, 2025				
			Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
			----- Rupees in '000' -----									
	Annual fee payable	12.1	-	-	-	30	30	-	-	-	20	20

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

13	ACCRUED EXPENSES AND OTHER LIABILITIES	June 30, 2026					June 30, 2025				
		Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub- Fund	Total
		----- Rupees in '000' -----									
	Withholding income tax payable	-	-	-	12	12	-	-	-	11	11
	Auditors' remuneration	-	-	-	10	10	-	-	-	54	54
	Legal fee	-	-	-	10	10	-	-	-	10	10
	Others	55	55	55	43	208	55	55	55	30	195
		55	55	55	75	240	55	55	55	105	270

15 CONTRIBUTION TABLE

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

	June 30, 2026										June 30, 2025									
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
From:	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')
Individuals	-	-	-	-	-	256,156	32,989	256,156	32,989	-	-	-	-	-	133,471	15,660	133,471	15,660	-	-
HBI Asset Management Limited - Seed Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	256,156	32,989	256,156	32,989	-	-	-	-	-	133,471	15,660	133,471	15,660	-	-

June 30, 2026										June 30, 2025									
Equity Index Sub-Fund	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total			Equity Index Sub-Fund	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total		
(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')
Total units in issue at the beginning of the year	5,000		5,000		5,000		469,392		484,392	5,000		5,000		5,000		335,921		350,921	
Add: Units issued	-		-		-		256,156		256,156	-		-		-		133,471		133,471	
Less: Units redeemed	-		-		-		-		-	-		-		-		-		-	
Total units in issue at the end of the year	5,000		5,000		5,000		725,548		740,548	5,000		5,000		5,000		469,392		484,392	

June 30, 2026										June 30, 2025									
Equity Index Sub-Fund	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total			Equity Index Sub-Fund	Equity Sub-Fund		Debt Sub-Fund		Money Market Sub-Fund		Total		
(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')	(Units)	(Rupees in '000')
16 AUDITORS' REMUNERATION																			
Statutory audit fee	-		-		-		428		428	0		0		0		126		126	
Out of pocket expenses	-		-		-		43		43	0		0		0		13		13	
Sales tax	-		-		-		38		38	0		0		0		11		11	
	-		-		-		508		508	-		-		-		150		150	

17 BASIS OF ALLOCATION OF EXPENSES TO EACH SUB-FUND

17.1 Remuneration to the Pension Fund Manager and remuneration to the Trustee is allocated to each sub-fund on the basis of net assets of the sub-fund.

17.2 Formation cost shall be divided equally among all the Sub-Funds operative.

17.3 Expenses specifically incurred by a sub-fund, such as custody and settlement charges, fees and subscription, brokerage and transaction costs, bank charges and all direct expenses of Sub Fund, shall be charged to the pertinent Sub-Funds.

17.4 Legal costs, audit fees and annual fees payable to the Commission and any other common expenses in accordance with the VPS Rules and NBFC Regulations, and as defined in the Constitutive documents, shall be charged to the pertinent Sub-Funds in proportion to their respective net assets.

18 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 not less than 90% of its accounting income for the year, the income distributed through bonus units 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 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 Income Tax Ordinance, 2001. Since the management has distributed the income earned by the Fund during the year to the unit holders in the manner as explained above, accordingly, no provision for taxation has been made in these financial statements during the year.

19 TRANSACTIONS AND BALANCES WITH RELATED PARTY

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

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules, 2005 and the Trust Deed respectively.

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

	June 30, 2026					June 30, 2025				
	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Index Sub-Fund	Equity Sub Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
Transactions during the year	----- Rupees in '000' -----									
HBL Asset Management Limited - Management Company										
Remuneration of the HBL Asset Management Limited - Management Company	-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax on remuneration of the HBL Asset Management Limited - Management Company	-	-	-	-	-	-	-	-	-	-
Amortization of Preliminary expenses and floatation costs	-	-	-	90	90	-	-	-	61	61
HBL Asset Management Limited - Sponsor										
Issuance of Seed Capital Units	-	-	-	-	-	-	-	-	-	-
Amount of Seed Capital Issued (Rs in '000')	-	-	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee										
Remuneration to the Central Depository Company company of Pakistan Limited - Trustee	-	-	-	114	114	-	-	-	73	73
Sindh Sales Tax on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	17	17	-	-	-	11	11
Balances outstanding as at year end										
HBL Asset Management Limited - Management Company										
Remuneration Payable to the HBL Asset Management Limited - Management Company	-	-	-	-	-	-	-	-	-	-
Sindh Sales Tax payable on remuneration of the HBL Asset Management Limited - Management Company	-	-	-	-	-	-	-	-	-	-
Formation cost payable to the HBL Asset Management Limited - Management Company	-	-	-	-	-	-	-	-	460	460
HBL Asset Management Limited - Sponsor										
Seed Capital Units held	5,000	5,000	5,000	300,000	315,000	5,000	5,000	5,000	300,000	315,000
Amount of Seed Capital Units held at NAV	500	500	500	40,761	42,261	500	500	500	37,554	39,054
Central Depository Company of Pakistan Limited - Trustee										
Remuneration to Payable Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-	-	6	6
Sindh Sales Tax Payable on remuneration to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-	-	-	-	1	1

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 Board of Directors (the Board) of the Pension Fund Manager has overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily setup to be performed based on limits established by the Pension Fund Manager, Fund's constitutive documents and the regulations and directives of the SECP. The 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 Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

The Fund primarily invests in a portfolio of equity, debt and money market investments such as shares of listed companies, investment - grade debt securities, government securities and other money market instruments. These activities are exposed to a variety of financial risks i.e. market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

20.1 Market risk

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

The Pension Fund Manager manages the market risk through diversification of the investment portfolio and by following the internal guidelines established by the Investment Committee. The Pension Fund Manager manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP and the VPS Rules.

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

20.1.1 Currency risk

This 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 its operations are geographically restricted to Pakistan and all transactions are carried out in Pakistan Rupees.

20.1.2 Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Cash flow interest rate risk

The Fund's interest rate risk arises from the balances in savings accounts. The net income for the year would have increased / (decreased) by Rs. 198,568 for Money Market Sub-Fund, had the interest rates on savings accounts with banks increased / (decreased) by 100 basis points.

b) Fair value interest rate risk

The Fund investment in GOP Ijara Sukuk and Corporate Sukuks expose it to the fair value interest rate risk.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association is expected to change over time.

20.1.3 Price Risk

Price risk is the risk of volatility in prices of financial instruments resulting from their dependence on market sentiments, speculative activities, supply and demand for financial instruments and liquidity in the market. The value of investments may fluctuate due to factors specific to the individual financial instrument or its issuer such as, change in business cycles affecting the business of the company in which the investment is made, change in business circumstances of the company, or factors affecting all similar financial instruments traded in the market such as changes in the industry environment and / or the economy in general.

The Pension Fund Manager's strategy on the management of investment risk is driven by the Fund's investment objective. The primary objective of the Fund is to achieve long term capital growth by investing primarily in equity securities. The Fund's market risk is managed on a daily basis by the Pension Fund Manager in accordance with the policies and procedures laid down by the SECP. The funds are allocated among various asset classes based on the attractiveness of the particular asset class. The allocation among these is dependent on the time horizon for investments and liquidity requirements of the portfolio.

The market risk is managed by monitoring exposure to marketable securities, and by complying with the internal risk management policies and regulations laid down in VPS Rules and directives issued by the SECP.

The Fund does not hold any instrument that is exposed to price risk.

20.2 Liquidity Risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligation in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund. Liquidity risk may result from an inability to sell a financial asset at close to its fair value. The Pension Fund Manager'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.

The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund aims to maintain the level of cash and cash equivalents and other highly marketable securities at an amount in excess of expected cash outflows on financial liabilities. 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 net asset value per unit at the time of redemption calculated in accordance with the Fund's constitutive document and guidelines laid down by Securities and Exchange Commission of Pakistan (SECP).

Management of liquidity risk

The Fund's policy is to manage this risk by investing majority of its assets in investments that are traded in an active market and can be readily disposed. The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. As a result, the Fund may be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirement. The present settlement system is a T+2 system, which means that proceeds from sales (to pay off redemptions) of holdings will be received on the second day after the sale, while redemptions have to be paid within a period of six working days from the date of the redemption request.

In addition, the Fund has the ability to borrow, with prior approval of trustee, for meeting redemption requests. No such borrowings were made during the year. The maximum amount available to the Fund from borrowings is limited to the extent of 15% of net assets at the time of borrowing with repayment within 90 days of such borrowings. The facility would bear interest at commercial rates.

In order to manage the Fund's overall liquidity, the Fund can also withhold daily redemption request in excess of ten percent of the units in issue and such requests would be treated as redemption request 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. No redemptions were made during the year.

20.3 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to its investment in corporate sukuk bonds, and bank deposit. Risks attributable to investments in Market Treasury Bills are limited as these are guaranteed by the Federal Government while bank balances are maintained with banks with a reasonably high credit rating. The risk of default is considered minimal due to interest systematic measures taken therein.

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

Name of bank / institutions	Balances held by the Fund as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
-----------------------------	--	--	---------------	--	--	---------------

(Rupees in "000")

(Rupees in "000")

Balances with banks by rating category

Money Market Sub-Fund

United Bank Limited	6,059	A-1+	VIS	-	-	-
Bank Al Habib Limited	14,209	A-1+	PACRA	920.00	A-1+	PACRA

Debt Sub-Fund

Bank Al Habib Limited	546	A-1+	PACRA	546	A-1+	PACRA
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Equity Sub-Fund

Bank Al Habib Limited	546	A-1+	PACRA	546	A-1+	PACRA
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Equity Index Sub-Fund

Bank Al Habib Limited	546	A-1+	PACRA	546	A-1+	PACRA
-----------------------	-----	------	-------	-----	------	-------

Corporate Sukuk Bonds

Pakistan Telecommunication Company Limited	13,000	A-1+	VIS	4,000	A-1+	VIS
Engro Fertilizers Limited	-	-	-	1,000	A-1	PACRA
Lucky Electric Power Company Limited	-	-	-	6,000	A-1+	PACRA

Concentration of credit risk

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

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 period end date. The quoted market price used for financial assets held by the Fund is current bid price.

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

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

The following tables show the carrying amounts and fair values of financial assets and financial liabilities held as at June 30 including their levels in the fair value hierarchy:

	Held by Equity Index Sub-Fund							Held by Equity Index Sub-Fund						
	June 30, 2026							June 30, 2025						
	Carrying amount			Fair value				Carrying amount			Fair value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000')														
Financial assets not measured at fair value														
Balances with bank	-	547	547	-	-	-	-	-	547	547	-	-	-	-
	-	547	547	-	-	-	-	-	547	547	-	-	-	-
Financial liabilities not measured at fair value														
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan - Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	55	55	-	-	-	-	-	55	55	-	-	-	-
	-	55	55	-	-	-	-	-	55	55	-	-	-	-
	Held by Equity Sub-Fund							Held by Equity Sub-Fund						
	June 30, 2025							June 30, 2025						
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000')													
Financial assets not measured at fair value														
Balances with bank	-	547	547	-	-	-	-	-	547	547	-	-	-	-
	-	547	547	-	-	-	-	-	547	547	-	-	-	-
Financial liabilities not measured at fair value														
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan - Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	55	55	-	-	-	-	-	55	55	-	-	-	-
	-	55	55	-	-	-	-	-	55	55	-	-	-	-
	Held by Debt Sub-Fund							Held by Debt Sub-Fund						
	June 30, 2026							June 30, 2025						
	Carrying Amount			Fair Value				Carrying Amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000')														
Financial assets not measured at fair value														
Balances with bank	-	547	547	-	-	-	-	-	547	547	-	-	-	-
	-	547	547	-	-	-	-	-	547	547	-	-	-	-
Financial liabilities not measured at fair value														
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable to the Central Depository Company of Pakistan - Trustee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses and other liabilities	-	55	55	-	-	-	-	-	55	55	-	-	-	-
	-	55	55	-	-	-	-	-	55	55	-	-	-	-

	Held by Money Market Sub Fund							Held by Money Market Sub Fund						
	June 30, 2026							June 30, 2025						
	Carrying Amount			Fair Value				Carrying Amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000')													
Financial assets measured at fair value														
Corporate Sukuk Bond	13,000	-	13,000	-	13,000	-	13,000	11,000	-	11,000	-	11,000	-	11,000
GOP Ijara Sukuk	63,984	-	63,984	-	63,984	-	63,984	46,168	-	46,168	-	46,168	-	46,168
	76,984	-	76,984	-	76,984	-	76,984	57,168	-	57,168	-	57,168	-	57,168
Financial assets not measured at fair value														
Balances with bank	-	20,268	20,268	-	-	-	-	-	920	920	-	-	-	-
	-	20,268	20,268	-	-	-	-	-	920	920	-	-	-	-
Financial liabilities not measured at fair value														
Payable to the HBL Asset Management Limited - Pension Fund Manager	-	-	-	-	-	-	-	-	460	460	-	-	-	-
Payable to the Central Depository Company of Pakistan - Trustee	-	-	-	-	-	-	-	-	7	7	-	-	-	-
Accrued expenses and other liabilities	-	75	75	-	-	-	-	-	105	105	-	-	-	-
	-	75	75	-	-	-	-	-	572	572	-	-	-	-

During the year, no transfers were made between various levels of fair value hierarchy.

22 PARTICIPANTS' FUND RISK MANAGEMENT (CAPITAL RISK)

The Fund's capital is represented by redeemable units of the sub-funds. They are entitled to payment of a proportionate share based on the sub-fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in Participants' sub-funds.

In accordance with the risk management policies, the Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemption. Since the Participants invest in the Funds with a long-term objective, possibility of a significant redemption pressure is limited, such liquidity is augmented by borrowing arrangements (which can be entered if necessary) or disposal of investments, where necessary.

All units, including the core units, and fractions thereof represent an undivided share in the pertinent sub-funds of the Fund and rank pari passu as their rights in the net assets and earning of the sub-fund are not tradeable or transferable. Each participant has a beneficial interest in the sub-fund proportionate to the units held by such participant in respective such sub-fund, in his/her individual pension account (IPA).

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	Sunny Kumar	Head of Equities	B. Com	8
5	Hammad Ali Abbas	Senior Fund Manager	MSC	22
6	Wasim Akram	Senior Fund Manager	MBA	22
7	Nida Siddiqui	Assistant Fund Manager	MBA	1

24 ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE Pension Fund Manager

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	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

25 TOTAL EXPENSE RATIO

The total expense ratio of the pension fund as prescribed in the offering document is capped as 1%, 1.75%, 0.75% and 0.75% for TER excluding insurance charges and separate cap for insurance charges of 0.25% for each sub-fund. Based on the current year results the total expense ratio is as follows:

	June 30, 2026				June 30, 2025			
	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Equity Index Sub-Fund	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund
Annualized Total Expense Ratio	-	-	-	0.70%	-	-	-	0.72%
Government levy and SECP fees	-	-	-	0.04%	-	-	-	0.05%

26 PERFORMANCE TABLE

Performance Information

Net Assets	500	500	500	98,581	500	500	500	58,759
Net Assets Value Per Unit	100.0000	100.0000	100.0000	135.8705	100.0000	100.0000	100.0000	125.1803
Net Income after Taxation	-	-	-	6,833	-	-	-	6,039
Realized Gain/Loss	-	-	-	(1)	-	-	-	-
Un-Realized Gain/loss	-	-	-	(266)	-	-	-	52
Dividend Income	-	-	-	-	-	-	-	-
Net Contribution	-	-	-	32,989	500	500	500	15,660
Highest Issue Price	100.0000	100.0000	100.0000	135.8705	100.0000	100.0000	100.0000	125.1803
Lowest Issue Price	100.0000	100.0000	100.0000	125.1803	100.0000	100.0000	100.0000	110.3225

27 GENERAL

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

28 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27,2026** by the Board of Directors of the Pension Fund Manager.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
156

Director



Punjab Pension Fund

FUND INFORMATION

NAME OF FUND	HBL Punjab Pension Fund
NAME OF AUDITOR	BDO EBRAHIM & Co. Chartered Accountant
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited(CDC)
BANKERS	Habib Bank Limited Bank OF Punjab



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Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS OF HBL PUNJAB PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Punjab Pension 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 participants' sub funds and statement of cash flows for the period from March 12, 2026 to June 30, 2026, 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 from March 12, 2026 to June 30, 2026, 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 Pension Fund Manager ("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 Pension Fund Manager and Board of Directors of the Pension Fund Manager for the Financial Statements

The Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.



- Conclude on the appropriateness of the Pension Fund Manager'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 Pension Fund Manager 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 Pension Fund Manager 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, in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Voluntary Pension System Rules, 2005 including the guidelines thereunder.

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

KARACHI

DATED: 30 SEP 2026

UDIN: AR2026101661R5pEKItM


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL Punjab Pension Fund
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2026

		2026				
		Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
Note		----- (Rupees) -----				
Assets						
Balances with banks	5	-	-	-	511,826	511,826
Profit receivable on saving account		-	-	-	304	304
Total assets		-	-	-	512,130	512,130
Liabilities						
Payable to Central Depository Company of Pakistan Limited - Trustee	6	-	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	7	-	-	-	63	63
Total liabilities		-	-	-	63	63
Net assets		-	-	-	512,067	512,067
Participant' sub funds						
(as per statement attached)		-	-	-	512,067	512,067
Contingencies and Commitments	8					
		-----Units-----				
Number of units in issue	9	-	-	-	5,000	5,000
		----- (Rupees) -----				
Net asset value per unit		-	-	-	102.4127	102.4127

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
159

Director

HBL Punjab Pension Fund
INCOME STATEMENT
FOR THE YEAR ENDED JUNE 30, 2026

INCOME

Profit on bank deposits

TOTAL INCOME

EXPENSES

Remuneration of Central Depository Company
of Pakistan Limited - Trustee
Annual fee to the Securities and Exchange
Commission of Pakistan
Auditor's remuneration

TOTAL EXPENSES

Net income for the period before taxation

Taxation

Net income for the period

Note	2026				
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	(Rupees)				
	-	-	-	12,130	12,130
	-	-	-	12,130	12,130
6	-	-	-	-	-
7	-	-	-	63	63
10	-	-	-	-	-
	-	-	-	63	63
	-	-	-	12,067	12,067
11	-	-	-	-	-
	-	-	-	12,067	12,067

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
160

Director

HBL Punjab Pension Fund
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

Net income for the period

Other comprehensive income for the period

Total comprehensive income for the period

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

2026				
Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
-----		(Rupees)	-----	
-	-	-	12,067	12,067
-	-	-	-	-
-	-	-	12,067	12,067

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
161

Director

HBL Punjab Pension Fund
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

	2026				
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	----- (Rupees) -----				
Net assets at beginning of the period	-	-	-	-	-
Amount received on issuance of 500 units	-	-	-	500,000	500,000
Amount paid on redemption of units	-	-	-	-	-
	-	-	-	500,000	500,000
Total comprehensive income for the period	-	-	-	12,067	12,067
Net assets at end of the period	-	-	-	512,067	512,067

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

For HBL Asset Management Limited
 (Management Company)

 Chief Financial Officer

 Chief Executive Officer
 162

 Director

HBL Punjab Pension Fund
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

	2026				Total
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	
Note	----- (Rupees) -----				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	-	-	-	12,067	12,067
Adjustments for:					
Profit on bank deposits	-	-	-	(12,130)	(12,130)
	-	-	-	(63)	(63)
Increase in assets					
Profit receivable on saving account	-	-	-	(304)	(304)
Increase in liabilities					
T	-	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	-	63	63
	-	-	-	63	63
	-	-	-	(304)	(304)
Profit received on bank deposits	-	-	-	12,130	12,130
Net cash flows generated from operating activities	-	-	-	11,826	11,826
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issuance of units	-	-	-	500,000	500,000
Net cash generated from financing activities	-	-	-	500,000	500,000
Net increase in cash and cash equivalents	-	-	-	511,826	511,825
Cash and cash equivalents at the beginning of the period	-	-	-	-	-
Cash and cash equivalents at the end of the period	-	-	-	511,826	511,826

5

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
163

Director

HBL Punjab Pension Fund
Notes To The Financial Information
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** HBL Punjab Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 8, 2025 under the Voluntary Pension System (VPS) Rules, 2005. CDC was appointed as a trustee for the Fund by SECP on November 25, 2025. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021.
- 1.2** The Pension Fund Manager is a Non-Banking Finance Company (NBFC) licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") through license No. SECP/LRD/LD/15/AMCW/HBLAML/2022 dated February 22, 2023 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 under Certificate of Registration No. SECP/PW/Reg-06/HBL dated May 06, 2023 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Punjab through the Secretary to the Government Finance Department through an Agreement dated July 2025, pursuant to Punjab Defined Contribution Scheme Rules 2025.
- 1.3** The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (The VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.
- 1.4** Title to the assets of the Fund are held in the name of CDC as the trustee of the Fund.
- 1.5** The objective of Fund is to provide participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.
- 1.6** All Employees of the Government of Punjab appointed on or after the commencement of the Punjab Civil Servants (Amendment) Ordinance, 2023 (I of 2024), but not including any person who was appointed as a Government servant holding a pensionable post before the commencement of the said Ordinance and was subsequently inducted into any Provincial Service through proper channel after the coming into force of the Punjab Civil Servants (Amendment) Ordinance, 2023 (I of 2024), or an employee of the Government of Punjab regularized as a civil servant through any legal instrument issued on or after the commencement of the Punjab Civil Servants (Amendment) Ordinance, 2023 (I of 2024), irrespective of the effective date of regularization, shall be eligible to contribute to the Pension Fund.
- 1.7** The Fund consists of four sub-funds namely, HBL Pension Fund - Money Market Sub Fund, HBL Pension Fund - Equity Sub Fund, HBL Pension Fund - Equity Index Sub Fund and HBL Pension Fund - Debt Sub Fund (collectively the "Sub-Funds"). The investment policy for each of the sub-funds is as follows:

HBL Punjab Pension Fund - Money Market Sub Fund

The investment objective of the Money Market Sub Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund.

Investment avenues - government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), treasury bills, money market placements, deposits, Certificate of Deposits (COD), Certificate of Musharakas (COM) or any other mode of placement, TDRs, commercial papers, reverse repo.

HBL Punjab Pension Fund - Equity Sub Fund

The investment objective of the Equity Sub Fund of the Punjab Pension Fund is to earn returns from investments in Pakistani Capital Markets.

Assets of an equity active sub-fund shall be invested in equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a Stock Exchange and Equity Active sub-fund shall be eligible to invest in units of Real Estate Investment Trusts / Exchange Traded Fund provided that entity/sector/group exposures limit as prescribed are complied with.

HBL Punjab Pension Fund - Equity Index Sub Fund

The investment objective of the Equity index Sub Fund of the Punjab Pension Fund is to provide investors an opportunity to track closely the performance of the KSE-30 by investing in companies of the Index in proportion to their weightages.

HBL Punjab Pension Fund - Debt Sub Fund

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund.

The Debt Sub-fund shall consist of government securities, cash in bank accounts, money market placements, deposits, Certificate of Deposits (COD), Certificate of Musharakas (COM), TDRs, commercial papers, TFC / Sukuk or any other mode of placement, deposits/placements with Microfinance banks and any other approved debt/money market security issued from time to time.

222

1.8 The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.

1.9 VIS Credit Rating Agency has assigned management quality rating of 'AM1 (VIS)' on December 31, 2025 to the Pension Fund Manager.

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 part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (The VPS Rules), Voluntary Pension System Part V of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differs 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 VPS Rules, NBFC Rules, NBFC Regulations have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except investments that are stated at fair values.

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates, assumptions and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result 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 judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets as follow:

Classification and measurement of financial assets and financial liabilities
For details please refer notes 4.2.2.1 to these financial statements.

Impairment of financial assets
For details please refer note 4.2.2.3 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 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
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
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 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 income statement, 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 throughout the period, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

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

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized 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 recognized at fair value and transaction costs associated with these financial assets are charged to the Income Statement.

4.2.2.1 Classification

Debt Instruments

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL. In addition, on initial recognition, the Fund may irrevocably designate a debt instrument that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

4.2.2.2 Subsequent measurement

Debt investments at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in income statement.

4.2.2.3 Impairment of financial assets on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager. The provisioning policy approved by the Board of Directors has also been placed on the Pension Fund Manager's website as required under the SECP's Circular.

4.2.2.4 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.

4.2.2.5 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.

4.2.3 Financial liabilities

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

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

4.2.4 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 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 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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

4.5 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Pension Fund Manager / Distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Pension Fund Manager receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

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 issue at the period end.

4.7 Revenue recognition

- Gains or (losses) arising on the sale of investments are recorded at the date at which the transaction takes place;
- Unrealised gains / losses arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' included in Income Statement in the period in which they arise.
- Income on government securities is recognised on a time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on an accrual basis.

4.8 Expenses

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

4.9 Transactions with related parties / connected persons

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

Remuneration to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

		2026				
		Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
5 BALANCES WITH BANKS	Note	----- (Rupees) -----				
Saving account	5.1	-	-	-	511,826	511,826

5.1 These carries mark-up at the rates ranging between 8% to 11 % per annum for all sub funds. This represent balances held with Bank of punjab.

6 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

6.1 The remuneration payable to the Central Depository Company of Pakistan Limited (CDC) is borne by the Pension Fund Manager.

		2026				
		Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	----- (Rupees) -----				
Annual fee payable	7.1	-	-	-	63	63

7.1 This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% of the average daily net assets of the Fund.

8 CONTINGENCIES AND COMMITMENTS

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

		2026				
		Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
9 NUMBER OF UNITS IN ISSUE		----- (Rupees) -----				
Beginning of the period		-	-	-	-	-
Add: Units issued during the period		-	-	-	5,000	5,000
Less: Units redeemed during the period		-	-	-	-	-
Total units in issue at the end of the period		-	-	-	5,000	5,000

10 AUDITOR'S REMUNERATION

10.1 The auditor's remuneration is borne by the Pension Fund Manager.

11 TAXATION

The income of the Fund is exempt from income tax under clause 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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.

12 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2026											
	Equity Sub Fund			Equity Index Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total
----- (Rupees) -----												
Financial assets												
Balances with banks	-	-	-	-	-	-	-	-	-	511,826	-	511,826
Profit receivable on saving account	-	-	-	-	-	-	-	-	-	304	-	304
	-	-	-	-	-	-	-	-	-	512,130	-	512,130
Financial Liabilities												
Payable to the Securities and Exchange Commission of Pakistan	-	-	-	-	-	-	-	-	-	63	-	63
	-	-	-	-	-	-	-	-	-	63	-	63

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

Details of transactions with connected persons are as follows:

HBL Asset Management Limited - Pension Fund Manager

	2026				
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
----- (Rupees) -----					
Issuance of Seed Capital Units	-	-	-	5,000	5,000
Amount of Seed Capital Issued	-	-	-	500,000	500,000

FOR THE PERIOD ENDED MARCH 12, 2026

TO JUNE 30, 2026

----- (Rupees) -----

Details of balances with connected persons at period end are as follows:

HBL Asset Management Limited - Pension Fund Manager

Seed Capital Units held	-	-	-	5,000	5,000
Amount of Seed Capital Units held at NAV	-	-	-	512,064	512,064

14 UNITS HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- 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
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Pension Fund Manager 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.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- 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
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Pension Fund Manager 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.

**15 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER
UPDATED**

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	Sunny Kumar	Head of Equities	B. Com	8
5	Hammad Ali Abbas	Senior Fund Manager	MSC	22
6	Wasim Akram	Senior Fund Manager	MBA	22
7	Nida Siddiqui	Assistant Fund Manager	MBA	1

S.No.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
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	-	-

17 TOTAL EXPENSE RATIO

The total expense ratio of pension fund prescribed in the NBFC Regulations Part V Regulation 67G of Voluntary Pension System is capped as follows: (a) Equity sub fund up to 4.5% (b) Money market up to 2% (c) Income up to 2.5% and commodity up to 3%.

The total expense ratio of the equity sub fund, equity index sub fund, debt sub fund and money market sub fund for the period ended March 12, 2026 to June 30, 2026 is Nil %, Nil %, Nil % and 0.21% respectively which includes Nil %, Nil %, Nil % and 0.07 % respectively representing Government levy and SECP fee.

18 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees, where stated otherwise.

20 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Pension Fund Manager on **August 27, 2026**.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director



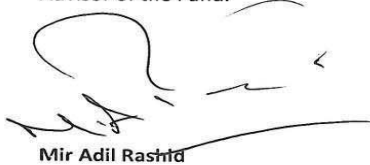
Punjab Islamic Pension Fund

FUND INFORMATION

NAME OF FUND	HBL Punjab Islamic Pension Fund
NAME OF AUDITOR	BDO EBRAHIM & Co. Chartered Accountant
NAME OF SHARIAH ADVISOR	Al-Hilal Shariah Advisor Ltd.
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited(CDC)
BANKERS	Habib Bank Limited Bank OF Punjab

STATEMENT OF COMPLIANCE WITH THE SHARIAH PRINCIPLES

HBL Punjab Islamic Pension 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



AHSA/SSR/HBLAMC/HBLIPPF/641

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 Punjab Pension Fund** managed by **HBL Asset Management Limited** are Permissible and in accordance with Shariah principles.

During the year, the HBL Islamic Punjab Pension 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 Younis Bandukda, CFA
Chief Executive



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INDEPENDENT AUDITOR'S REPORT TO THE PARTICIPANTS OF HBL PUNJAB ISLAMIC PENSION FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Punjab Islamic Pension 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 participants' sub funds, and statement of cash flows for the period from March 12, 2026 to June 30, 2026, 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 from March 12, 2026 to June 30, 2026, 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 Pension Fund Manager ("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 Pension Fund Manager and Board of Directors of the Pension Fund Manager for the financial statements

The Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Pension Fund Manager.



- Conclude on the appropriateness of the Pension Fund Manager'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 Pension Fund Manager 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 Pension Fund Manager 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, in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulation, 2008, the Voluntary Pension System Rules, 2005 including the guidelines thereunder.

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

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166fe8ajiQSt


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL Punjab Islamic Pension Fund
STATEMENT OF ASSETS AND LIABILITIES
AS AT JUNE 30, 2026

2026					
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
Note	----- (Rupees) -----				
Assets					
Balances with banks	-	-	-	500,000	500,000
Profit receivable on saving account	-	-	-	12,126	12,126
Total assets	-	-	-	512,126	512,126
Liabilities					
Payable to Central Depository Company of Pakistan Limited - Trustee	6	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	7	-	-	62	62
Total liabilities	-	-	-	62	62
Net assets	-	-	-	512,064	512,064
Participant' sub funds (as per statement attached)	-	-	-	512,064	512,064
Contingencies and Commitments	-	-	-	512,064	512,064
Number of units in issue	9	-	-	5,000	5,000
Net asset value per unit	-	-	-	102,4132	102,4132

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

For HBL Asset Management Limited
 (Management Company)

Chief Financial Officer

Chief Executive Officer
 180

Director

HLB Punjab Islamic Pension Fund
INCOME STATEMENT
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

2026					
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
Note	(Rupees)				
	-	-	-	12,126	12,126
	-	-	-	12,126	12,126
INCOME					
Profit on bank deposits					
TOTAL INCOME					
EXPENSES					
Remuneration of Central Depository Company of Pakistan Limited - Trustee					
Annual fee to the Securities and Exchange Commission of Pakistan					
Auditor's remuneration					
TOTAL EXPENSES					
Net income for the period before taxation					
Taxation					
Net income for the period					

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

For HBL Asset Management Limited
 (Management Company)

Chief Financial Officer

Chief Executive Officer
 181

Director

HL Punjab Islamic Pension Fund
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

	2026			
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund
	(Rupees) -----			
Net income for the period	-	-	-	12,064
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	-	12,064

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
182

Director

HL Punjab Islamic Pension Fund
STATEMENT OF MOVEMENT IN PARTICIPANTS' SUB-FUNDS
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

2026					
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
	(Rupees)				
Net assets at beginning of the period	-	-	-	-	-
Amount received on issuance of 5000 units	-	-	-	500,000	500,000
Amount paid on redemption of units	-	-	-	-	-
	-	-	-	500,000	500,000
Total comprehensive income for the period	-	-	-	12,064	12,064
Net assets at end of the period	-	-	-	512,064	512,064

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

For HBL Asset Management Limited
 (Management Company)

Chief Financial Officer

Chief Executive Officer
 183

Director

HL Punjab Islamic Pension Fund
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

2026					
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
Note	(Rupees)				
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income for the period before taxation	-	-	-	12,064	12,064
Adjustments for:					
Profit on saving account	-	-	-	(12,126) (62)	(12,126) (62)
Increase in assets					
Profit receivable on saving account	-	-	-	(12,126)	(12,126)
Increase in liabilities					
Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	-	-
Payable to the Securities and Exchange Commission of Pakistan	-	-	-	62	62
	-	-	-	(12,126)	(12,126)
Profit received on bank deposits	-	-	-	12,126	12,126
Net cash flows generated from operating activities -					
CASH FLOWS FROM FINANCING ACTIVITIES					
Amount received on issuance of units	-	-	-	500,000	500,000
Net cash generated from financing activities	-	-	-	500,000	500,000
Net increase in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the beginning of the period	-	-	-	500,000	500,000
Cash and cash equivalents at the end of the period	-	-	-	500,000	500,000

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

For HBL Asset Management Limited
 (Management Company)

Chief Financial Officer

Chief Executive Officer
 184

Director

HBL Punjab Islamic Pension Fund Notes To The Financial Information FOR THE PERIOD ENDED MARCH 12, 2026 TO JUNE 30, 2026

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Punjab Islamic Pension Fund is established under a Trust deed executed between HBL Asset Management Limited as a Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) on December 8, 2025 under the Voluntary Pension System (VPS) Rules, 2005. CDC was appointed as a trustee for the Fund by SECP on November 25, 2025. The Fund is registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021.

1.2 The Pension Fund Manager is a Non-Banking Finance Company (NBFC) licensed by the Commission under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 through and Non-Banking Finance Companies and Notified Entities Regulations 2008 ("Regulations") through license No. SECP/LRD/LD/15/AMCW/HBLAW/2022 dated February 22, 2023 to carry out Asset Management Services and is registered with the Commission under the Voluntary Pension System Rules, 2005 under Certificate of Registration No. SECP/PW/Reg-06/HBL dated May 06, 2011 as a Pension Fund Manager and is a designated fund manager appointed by the Government of Punjab through the Secretary to the Government Finance Department through an Agreement dated July 2025, pursuant to Punjab Defined Contribution Scheme Rules 2025.

1.3 The Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (the VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.

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

1.5 Being an Islamic Fund, all the activities of the Fund are undertaken in accordance with the Islamic Shariah rules and principles. The Pension Fund Manager has appointed a Shahriah Supervisory Council whose advice is followed to ensure that activities of the Fund are in compliance with Shahriah. The Fund adheres to the Shahriah Governance Regulation, 2023 issued by SECP.

1.6 The objective of Fund is to provide participants with an individualized, funded (based on defined contribution) as well as flexible pension scheme which is managed by professional investment managers to assist them to plan and provide for their retirement. The design of the scheme empowers the participants to invest their pensions as per their desired asset allocations.

1.7 All Employees of the Government of Punjab appointed on or after the commencement of the Punjab Civil Servants (Amendment) Ordinance, 2023 (I of 2024), but not including any person who was appointed as a Government servant holding a pensionable post before the commencement of the said Ordinance and was subsequently inducted into any Provincial Service through proper channel after the coming into force of the Punjab Civil Servants (Amendment) Ordinance, 2023 (I of 2024), or an employee of the Government of Punjab regularized as a civil servant through any legal instrument issued on or after the commencement of the Punjab Civil Servants (Amendment) Ordinance, 2023 (I of 2024), irrespective of the effective date of regularization, shall be eligible to contribute to the Pension Fund.

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

HBL Punjab Islamic Pension Fund - Money Market Sub Fund

The investment objective of the Money Market Sub-Fund is to earn returns from investments in Money Markets of Pakistan, thus incurring a relatively lower risk than debt sub fund.

Investment avenues - shahriah compliant government securities, cash and near cash instruments which include cash in bank accounts (excluding TDRs), money market placements, deposits, Certificate of Deposits (COD), Certificate of Musharakas (COM) or any other Islamic mode of placement, TDRs, Islamic commercial papers, and reverse repo.

HBL Punjab Islamic Pension Fund - Equity Sub Fund

The investment objective of the Equity Sub Fund of the Punjab Islamic Pension Fund is to earn returns from investments in Pakistani Capital Markets.

Assets of an equity active sub-fund shall be invested in shahriah compliant equity securities which are listed on a Stock Exchange or for the listing of which an application has been approved by a Stock Exchange and Equity Active sub fund shall be eligible to invest in units of shahriah compliant Real Estate Investment Trusts / Exchange Traded Fund provided that entity/sector/group exposures limit as prescribed are complied with.

HBL Punjab Islamic Pension Fund - Equity Index Sub Fund

The investment objective of the Equity Index Sub Fund of the Punjab Islamic Pension Fund is to provide investors an opportunity to track closely the performance of the KMI 30 by investing in companies of the Index in proportion to their weightages.

HBL Punjab Islamic Pension Fund - Debt Sub Fund

The investment objective of the Debt Sub Fund is to earn returns from investments in debt markets of Pakistan, thus incurring a relatively lower risk than equity sub fund. 'The Debt Sub-fund shall consist of shahriah compliant government securities, cash in bank accounts, money market placements, deposits, Certificate of Deposits (COD), Certificate of Musharakas (COM), TDRs, Islamic commercial papers, Sukuk or any other Islamic mode of placement, reverse repo, deposits/placements with shahriah compliant Microfinance banks and any other approved debt/money market security issued from time to time.

- 1.9** The Fund offers four types of allocation schemes, as prescribed by the SECP under VPS Rules 2005 vide its Circular no. 36 of 2009 dated December 10, 2009, to the participants of the Fund, namely High Volatility, Medium Volatility, Low Volatility and Lower Volatility. The participant has an option to suggest a minimum percentage of allocation to the above allocation schemes (subject to the minimum percentages prescribed in the offering document). Based on the minimum allocation, the Funds are allocated to the above stated Sub-Funds. The allocation to the sub-funds has to be done at the date of the opening of the participant's pension account and on an anniversary date thereafter.

- 1.10** VIS Credit Rating Agency has assigned management quality rating of 'AM1 (VIS)' on December 31, 2025 to the Pension Fund Manager.

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 part VIIIA of the repealed Companies Ordinance, 1984; and
- Voluntary Pension System Rules, 2005 (The VPS Rules), Voluntary Pension System Part V of Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the VPS Rules, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differs 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 VPS Rules, NBFC Rules, NBFC Regulations have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

2.3 Functional and presentation currency

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

2.4 Significant accounting estimates, assumptions and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgements and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result 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 judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets as follow:

Classification and measurement of financial assets and financial liabilities
For details please refer notes 4.2.2.1 to these financial statements.

Impairment of financial assets
For details please refer note 4.2.2.3 to these financial statements.

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 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.

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	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
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

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.

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 (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 income statement, aggregation/disaggregation and labeling 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 throughout the period, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise balances with banks and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

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

Financial assets are classified in appropriate category at amortized cost, fair value through comprehensive income and fair value through profit and loss. The Management determines the classification of financial assets in appropriate category based on Fund's business model, managing the financial assets and the contractual terms of cashflows.

4.2.2 Initial recognition and measurement

Financial assets are recognized at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognized 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 recognized at fair value and transaction costs associated with these financial assets are charged to the Income Statement.

4.2.2.1 Classification

Debt Instruments

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- 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.

A debt instrument held for trading purposes or which does not meet the SPPI criterion is classified as measured at FVTPL.

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

4.2.2.2 Subsequent measurement

Debt investments at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / markup income and impairment are recognised in income statement.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in income statement. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to income statement.

Debt investments at FVTPL

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest method and impairment are recognised in income statement.

4.2.3 Impairment of financial assets on debt securities

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Pension Fund Manager 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 Pension Fund Manager 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 Pension Fund Manager. The provisioning policy approved by the Board of Directors has also been placed on the Pension Fund Manager's website as required under the SECP's Circular.

4.2.4 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.

4.2.5 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.

4.2.3 Financial liabilities

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

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

4.2.4 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 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 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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

4.5 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Pension Fund Manager for the application received during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Pension Fund Manager / Distributors.

Units redeemed are recorded at the redemption price prevalent on the date on which the Pension Fund Manager receives redemption applications during business hours on that date. The redemption price represents NAV as on the close of business day, less any duties, taxes, charges on redemption and provision for transactions costs, if applicable.

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 issue at the period end.

4.7 Revenue recognition

- Gains or (losses) arising on the sale of investments are recorded at the date at which the transaction take place;
- Unrealised gains / losses arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' included in Income Statement in the period in which they arise.
- Income on government securities is recognised on a time proportionate basis using the effective yield method.
- Profit on bank balances is recognised on an accrual basis.

4.8 Expenses

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

4.9 Transactions with related parties / connected persons

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

Remuneration to the Pension Fund Manager and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

5 BALANCES WITH BANK

Saving account

Note	(Rupees)			
5.1	-	-	-	500,000

5.1 These carries mark-up at the rates ranging between 4% to 10 % per annum for all sub funds. This represent balances held with Bank of punjab.

6 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

6.1 The remuneration payable to the Central Depository Company of Pakistan Limited (CDC) is borne by the Pension Fund Manager.

2026				
Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total

7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Annual fee payable

Note	(Rupees)			
7.1	-	-	-	62

7.1 This represents annual fee payable to SECP in accordance with Regulation 62 of the NBFC Regulations, whereby the Fund is required to pay SECP an amount at the rate of 0.075% of the average daily net assets of the Fund.

8 CONTINGENCIES AND COMMITMENTS

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

2026

9 NUMBER OF UNITS IN ISSUE	2026				
	Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
Beginning of the period	-	-	-	-	-
Add: Units issued during the period	-	-	-	5,000	5,000
Less: Units redeemed during the period	-	-	-	-	-
Total units in issue at the end of the period	-	-	-	5,000	5,000

10 AUDITOR'S REMUNERATION

10.1 The auditor's remuneration is borne by the Pension Fund Manager.

11 TAXATION

The income of the Fund is exempt from income tax under clause 57(3) of part I of the second schedule to the Income Tax Ordinance, 2001. Therefore no provision in respect of taxation has been made in these financial statements.

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.

12 FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	2026											
	Equity Sub Fund			Equity Index Sub Fund			Debt Sub Fund			Money Market Sub Fund		
	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total	Amortised cost	At fair value through profit or loss	Total
(Rupees)												

Financial assets

Balances with banks	-	-	-	-	-	-	-	-	-	500,000	-
Profit receivable on saving account	-	-	-	-	-	-	-	-	-	12,126	-
	-	-	-	-	-	-	-	-	-	512,126	-
											512,126

Financial liabilities

Payable to the Securities and Exchange Commission of Pakistan	-	-	-	-	-	-	-	-	-	62	-
	-	-	-	-	-	-	-	-	-	63	-
											63

13 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

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

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

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

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

2026

Equity Sub Fund	Equity Index Sub Fund	Debt Sub Fund	Money Market Sub Fund	Total
----- (Rupees) -----				

Details of transactions with connected persons are as follows:				
HBL Asset Management Limited - Pension Fund Manager				
Issuance of Seed Capital Units	-	-	-	5,000
Amount of Seed Capital Issued	-	-	-	500,000

Details of balances with connected persons at year end are as follows:

HBL Asset Management Limited - Pension Fund Manager				
Seed Capital Units held	-	-	-	5,000
Amount of Seed Capital Units held at NAV	-	-	-	512,064

14 UNITS HOLDERS' FUND RISK MANAGEMENT

The Fund is an open end collective investment scheme. The unit holders' fund of open end schemes is represented by net assets attributable to unit holders. The risk in case of an open end scheme is that the amount of net assets attributable to unit holders can change significantly on daily basis as the Fund is subject to daily issuance and redemption of units at the discretion of the unit holders and occurrence of unexpected losses in investment portfolio which may cause adverse effects on the Fund's continuation as a going concern.

The Fund's objective when managing net assets attributable to unit holders is to safeguard the Fund's ability to continue as a going concern so that it can continue to provide optimum returns to its unit holders and to ensure reasonable safety of unit holders' fund. In order to maintain or adjust the unit holder fund structure, the Fund performs the following:

- 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
- Monitors portfolio allocations and return on net assets and where required makes necessary adjustments in portfolio allocations in light of changes in market conditions.

The Fund Manager / Investment Committee members and the Chief Executive Officer of the Pension Fund Manager 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.

15 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER UPDATED

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	Sunny Kumar	Head of Equities	B. Com	8
5	Hammad Ali Abbas	Senior Fund Manager	MSC	22
6	Wasim Akram	Senior Fund Manager	MBA	22
7	Nida Siddiqui	Assistant Fund Manager	MBA	1

16 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

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.	Particular	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
Name of Director					
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	-	-

17 TOTAL EXPENSE RATIO

The total expense ratio of pension fund prescribed in the NBFC Regulations Part V Regulation 67G of Voluntary Pension System is capped as follows: (a) Equity sub fund up to 4.5% (b) Money market up to 2% (c) Income up to 2.5% and commodity up to 3%.

The total expense ratio of the equity sub fund, equity index sub fund, debt sub fund and money market sub fund for the period ended March 12, 2026 to June 30, 2026 is Nil %, Nil %, Nil % and 0.21% respectively which includes Nil %, Nil %, Nil % and 0.04 % respectively.

18 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison.

19 GENERAL

19.1 Figures have been rounded off to the nearest thousand rupees, where stated otherwise.

20 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Pension Fund Manager on August 27, 2026.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer
193

Director



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