

HBL

ASSET MANAGEMENT LTD.
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AMC Rating : AM2+ by VIS



HBL Pension Fund & HBL Islamic Pension Fund

HALF YEARLY REPORT

For the Half Year ended December 31, 2019

MOVING TOWARDS
EXCELLENCE

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CORPORATE INFORMATION

Management Company

HBL Asset Management Limited

Board of Directors (Composition as of February 13, 2020)

Chairman	Mr. Atif Aslam Bajwa	(Independent Director)
Directors	Mr. Mir Adil Rashid	(Chief Executive Officer)
	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Aamir Hasan Irshad	(Non-Executive Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)

Audit Committee

Chairman	Mr. Shabbir Hussain Hashmi	(Independent Director)
Members	Ms. Ava Ardeshir Cowasjee	(Independent Director)
	Mr. Shahid Ghaffar	(Independent Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)

Human Resource Committee

Chairman	Mr. Atif Aslam Bajwa	(Independent Director)
Members	Mr. Shabbir Hussain Hashmi	(Independent Director)
	Mr. Raymond H. Kotwal	(Non-Executive Director)

Risk Management Committee

Chairman	Mr. Shahid Ghaffar	(Independent Director)
Members	Mr. Rizwan Haider	(Non-Executive Director)
	Mr. Aamir Hasan Irshad	(Non-Executive Director)

Company Secretary & Chief Financial Officer

Mr. Noman Qurban

AMC Rating

AM2+ (Positive Outlook)

Legal Advisors

Mandviwalla & Zafar, Advocates and Legal Consultants,
Mandviwalla Chambers, C-15, Block-2, Clifton, Karachi.

Website

www.hblasset.com

Head Office & Registered Office

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

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

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 and HBL Islamic Pension Fund (the Funds) for the half year ended December 31, 2019.

Economic Review

Policy steps taken over the last two years continue to lead to improvement in the macros as the economy is showing signs of recovery in the shape of decline in Current Account deficit, better FX reserves position and stable exchange rate. These stability measures have led to slowdown in GDP growth and higher inflation in the near term.

Policy makers allowed PKR depreciation of 10.0% during 1HFY20 to address the overvaluation of the currency to improve overall trade balance of the country. The Real Effective Exchange Rate has reached 95 indicating that the currency is trading below fair value. Central bank continued the monetary tightening by raising benchmark interest rates by 100bps during 1HFY20. These changes led to some respite in trade data (SBP) showed export growth of 4% in 1HFY20 compared to decline in import by 21%, dragging 1HFY20 trade deficit by 39% to USD 9.82bn. Remittances also showed encouraging trend as it witnessed an uptick of 3% in 1HFY20 clocking at USD 11.4bn. These factors led the Current Account Deficit (CAD) for 1HFY20 to decrease by 75% YoY to USD 2.1bn (1.5% of GDP) compared to USD 8.6bn (5.8% of GDP) during same period last year. Slowdown in CAD was a welcome effect but it was coupled with overall slowdown in domestic economy with 5.9% decline in LSM during 5MFY20 compared to decline of 0.9% during 5MFY19. Foreign exchange reserves increased to USD 17.9bn while SBP reserves stands at USD 11.3bn.

Average headline CPI inflation was 11.1% in 1HFY20, much higher than the 6.0% recorded during the 1HFY19 on account of higher average oil prices and currency depreciation. We expect headline inflation to remain high in the near term due to elevated food prices. However the inflation is expected to fall sharply in 2HCY20 due to high base effect.

Moving ahead, we believe the tough economic environment is likely to continue with sluggish business activities and inflationary pressures. The focus would remain on meeting FATF requirements, fiscal management and government compliance with the IMF quarterly targets.

Money Market Review

SBP continued its monetary tightening policy in 1HFY20 to control the rising current account deficit and in anticipation of increasing inflationary pressures.

Yields across shorter tenors increased by 50-90 bps due to cumulative increase of 100 bps in SBP policy rate with 100 bps in July-19. Secondary market yields of 3, 5 and 10-year PIBs decreased by 221, 297 and 272 bps respectively while yields of 3, 6 and 12 month T-Bills increased by 65, 50 and -3 bps respectively. Government of Pakistan raised PKR 1,117bn (excluding non-competitive bids) through the PIB auction against a target of PKR 625bn to re-profile the government debt as a part of IMF program. Latest cut-off yields stood at 11.75%, 11.19% and 10.99% for the 3year, 5-year and 10 year PIB respectively.

As per latest data available, Islamic Banking industry assets posted 21.8% growth and stood at PKR 2,995 billion by Sep-19. Similarly, deposits of Islamic banks also witnessed a sharp growth of 20.1% YoY and reached PKR 2,407 billion by Sep-19. The government issued Islamic Sukuk of PKR 200bn in previous fiscal year to partially retire the circular debt. This is a long term instrument and will be SLR Eligible resulting in increased investment avenues for the Islamic banks. Moreover, we expect an additional PKR 200bn of Islamic Sukuk would be issued in 2HFY20 to settle circular debt and the issue is also expected to be a long term instrument with SLR eligibility.

During the half, Government shifted its borrowing from central bank to scheduled banks. Government retired PKR 740bn from central bank against borrowing of PKR 159bn during same period last year. Meanwhile, Government borrowing from banks increased by PKR 927bn during the period. Government largely managed its borrowing requirements through domestic sources, and largely from scheduled banks.

In the monetary policy held in Jan-20, SBP kept the policy rate at 13.25%. Going forward, we foresee inflation to decline from current levels due to normalization of food prices and high base effect. We expect a cut in SBP policy rate by 100-150 bps in the calendar year.

Stock Market Review

Pakistan Equity Markets witnessed a surge in the outgoing half as external account stabilized and overall investor sentiment turned positive amid improving macros.

The benchmark KSE100 Index surged 6,834 points to close at 40,735 points (+20%) while the benchmark KMI30 Index surged 12,957 points to close at 67,075 points (+24%). Majority of the sectors witnessed bullish momentum due to cheap valuations as market retered from its lows. Due to rising interest rates and PKR depreciation, Banking and Oil & Gas Exploration sectors remained in the lime light. Cement, Engineering and pharmaceutical sector also made a comeback in the latter half of 1HFY20.

Foreigners turned net buyers in the market after four years, investing equities worth USD 8mn during the half ended Dec-19. Individuals were the largest net buyers with net buy of USD 140mn. On the flip side, mutual fund, insurance companies and banks divested USD 19.6mn, USD 52.6mn and USD 90.7mn respectively.

Moving ahead, Pakistan equities are expected to gain further traction due to cheaper valuation and expected cut in policy rate. Moreover, market participants would closely watch out for inflation numbers and foreign flows. We will maintain our strategic focus towards "bottom-up" approach and align exposure towards stocks with strong earnings potential.

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 total and net income of Rs. 72.38 million and Rs. 65.83 million respectively during the period under review. The fund size increased from Rs. 461.63 million as on June 30, 2019 to Rs. 527.81 million as at December 31, 2019 thereby showing an increase of 14% during the period under review. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned total and net income of Rs. 47.98 million and Rs. 44.65 million respectively. The net assets of the Equity sub-fund was Rs. 237.65 million representing Net Asset Value (NAV) of Rs. 384.7822 per unit as at December 31, 2019. The Sub Fund earned a return of 22.05% for the period under review. The Fund is invested to the extent of 93% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 16.38 million and Rs. 14.49 million respectively. The net assets of the Debt sub-fund was Rs. 172.73 million representing Net Asset Value (NAV) of Rs. 188.8275 per unit as at December 31, 2019. The Fund yielded annualized return of 19.44% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 8.01 million and Rs. 6.69 million respectively. The net assets of the Money Market sub-fund was Rs. 117.43 million representing Net Asset Value (NAV) of Rs. 168.6025 per unit as at December 31, 2019. An annualized return of 12.34% was earned by the Fund for the period under review.

HBL Islamic Pension Fund

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

The Fund as a whole earned total and net income of Rs. 41.62 million and Rs. 37.95 million respectively during the period under review. The fund size increased from Rs. 247.73 million as at June 30, 2018 to Rs. 268.73 million as at December 31, 2019 showing an increase of 8%. Performance review for each sub Fund is given below:

Equity Sub-Fund

During the period under review, the Equity sub-fund earned total and net income of Rs. 34.50 million and Rs. 32.26 million respectively. The net assets of the Equity sub-fund was Rs. 154.94 million representing Net Asset Value (NAV) of Rs. 399.7499 per unit as at December 31, 2019. The Fund yielded a return of 23.45% for the period under review. The Sub Fund is invested to the extent of 84% in equities.

Debt Sub-Fund

During the period under review, the Debt sub-fund earned total and net income of Rs. 4.21 million and Rs. 3.39 million respectively. The net assets of the Debt sub-fund was Rs. 64.47 million representing Net Asset Value (NAV) of Rs. 159.6585 per unit as at December 31, 2019. The Fund yielded annualized return of 9.64% for the period under review.

Money Market Sub-Fund

During the period under review, the Money Market sub-fund earned total and net income of Rs. 2.92 million and Rs. 2.31 million respectively. The net assets of the Money Market sub-fund was Rs. 49.32 million representing Net Asset Value (NAV) of Rs. 155.3844 per unit as at December 31, 2019. An annualized return of 8.86% was earned by the Fund for the period under review.

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 Securities & Exchange Commission of Pakistan, Central Depository Company of Pakistan & MCB Financial Services Limited as Trustee, the Pakistan Stock Exchange Limited and 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	KPMG Taseer Hadi & Co.
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 Taraqati Bank Limited Dubai Islamic Bank Limited



KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Review Report to the Participants of HBL Pension Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Pension Fund** ("the Fund") as at December 31, 2019 and the related condensed interim income statement and statement of comprehensive income, condensed interim statement of movement in participants' funds, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended December 31, 2019 in the condensed interim income statement and statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 24 February 2020

Karachi

KPMG Taseer Hadi & Co.

**KPMG Taseer Hadi & Co.
Chartered Accountants**

HBL Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2019

	Note	December 31, 2019 (Un-Audited)				June 30, 2019 (Audited)			
		Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)									
Assets									
Bank balances	6	15,704	62,491	91,307	169,502	16,045	59,315	110,412	185,772
Investments	7	225,520	109,300	26,832	361,652	178,275	85,773	14,834	278,882
Dividend and profit receivable	8	140	2,961	810	3,911	209	1,675	990	2,874
Advances, deposits, prepayments and other receivables	9	131	205	178	514	1,131	206	178	1,515
Total assets		241,495	174,957	119,127	535,579	195,660	146,969	126,414	469,043
Liabilities									
Payable to Pension Fund Manager	10	335	249	166	750	276	212	202	690
Payable to Trustee	11	34	25	17	76	27	19	17	63
Payable to Securities and Exchange Commission of Pakistan	12	34	26	20	80	80	53	48	181
Accrued expenses and other liabilities	13	3,446	1,928	1,493	6,867	2,573	1,965	1,937	6,475
Total liabilities		3,849	2,228	1,696	7,773	2,956	2,249	2,204	7,409
Net assets		237,646	172,729	117,431	527,806	192,704	144,720	124,210	461,634
Participants' sub funds (as per statement attached)		237,646	172,729	117,431	527,806	192,704	144,720	124,210	461,634
Number of units in issue	15	617,614	914,747	696,494	2,228,855	611,256	841,542	782,539	2,235,337
(Rupees)									
Net assets value per unit		384.7822	188.8275	168.6025		315.2585	171.9703	158.7278	

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Income Statement And Comprehensive Income (Un-Audited)

For the six months period ended December 31, 2019

Note	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
Income								
Dividend income	6,473	-	-	6,473	5,674	-	-	5,674
Profit on bank deposits calculated using the effective interest method	879	1,592	3,499	5,970	916	966	2,286	4,168
Mark-up / return on investments calculated using the effective interest method	-	8,396	4,543	12,939	-	6,334	3,907	10,241
Realised gain / (loss) on sale of investments	7,061	4,510	(75)	11,496	(3,665)	(298)	54	(3,909)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	33,570	1,885	43	35,498	(24,195)	(387)	-	(24,582)
	47,983	16,383	8,010	72,376	(21,270)	6,615	6,247	(8,408)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,725	1,346	999	4,070	2,178	1,500	1,262	4,940
Remuneration of Central Depository Company of Pakistan Limited - Trustee	173	135	100	408	218	150	127	495
Annual fee to Securities and Exchange Commission of Pakistan	34	26	20	80	43	29	25	97
Auditors' remuneration	77	60	46	183	87	84	84	255
Settlement and bank charges	36	21	15	72	502	36	18	556
Other expenses	398	13	3	414	12	24	8	44
	2,443	1,601	1,183	5,227	3,040	1,823	1,524	6,387
	45,540	14,782	6,827	67,149	(24,310)	4,792	4,723	(14,795)
Provision for Sindh Workers' Welfare Fund (SWWF)	(892)	(290)	(134)	(1,316)	-	(100)	(93)	(193)
Net income / (loss) before taxation	44,648	14,492	6,693	65,833	(24,310)	4,692	4,630	(14,988)
Taxation	-	-	-	-	-	-	-	-
Net income / (loss) for the period	44,648	14,492	6,693	65,833	(24,310)	4,692	4,630	(14,988)
Total comprehensive income / (loss) for the period	44,648	14,492	6,693	65,833	(24,310)	4,692	4,630	(14,988)

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months period ended December 31, 2019

Note	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
Income								
Dividend income	3,512	-	-	3,512	2,886	-	-	2,886
Profit on bank deposits calculated using the effective interest method	443	997	1,788	3,228	511	387	1,263	2,161
Mark-up / return on investments calculated using the effective interest method	-	4,402	2,261	6,663	-	3,522	2,118	5,640
Realised gain / (loss) on sale of investments	12,734	155	(51)	12,838	(3,050)	7	48	(2,995)
Unrealised gain / (loss) on revaluation of investments at fair value through profit or loss	38,824	1,321	4	40,149	(23,545)	(144)	(34)	(23,723)
	55,513	6,875	4,002	66,390	(23,198)	3,772	3,395	(16,031)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	937	710	500	2,147	1,072	747	648	2,467
Remuneration of Central Depository Company of Pakistan Limited - Trustee	94	71	50	215	107	74	65	246
Annual fee to Securities and Exchange Commission of Pakistan	19	14	10	43	21	14	13	48
Auditors' remuneration	39	31	23	93	9	9	9	27
Settlement and bank charges	31	8	12	51	416	5	8	429
Other expenses	234	9	1	244	3	7	2	12
	1,354	843	596	2,793	1,628	856	745	3,229
	54,159	6,032	3,406	63,597	(24,826)	2,916	2,650	(19,260)
Provision for Sindh Workers' Welfare Fund (SWWF)	(892)	(118)	(67)	(1,077)	-	(57)	(52)	(109)
Net income / (loss) before taxation	53,267	5,914	3,339	62,520	(24,826)	2,859	2,598	(19,369)
Taxation	-	-	-	-	-	-	-	-
Net income / (loss) for the period	53,267	5,914	3,339	62,520	(24,826)	2,859	2,598	(19,369)
Total comprehensive income / (loss) for the period	53,267	5,914	3,339	62,520	(24,826)	2,859	2,598	(19,369)

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund
Condensed Interim Statement of Movement in Unit Holders' Fund
For the six months period ended December 31, 2019

Note	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Net assets at beginning of the period	192,704	144,720	124,210	461,634	252,448	180,305	144,682	577,435
Issuance of units	23,946	49,484	13,275	86,705	36,893	18,242	44,943	100,078
Redemption of units	(35,028)	(27,964)	(23,374)	(86,366)	(52,799)	(24,010)	(25,884)	(102,693)
Reallocation among funds	11,376	(8,003)	(3,373)	-	7,023	(5,051)	(1,972)	-
Other comprehensive income								
Net income / (loss) for the period	44,648	14,492	6,693	65,833	(24,310)	4,692	4,630	(14,988)
Total comprehensive (loss) / income for the period	44,648	14,492	6,693	65,833	(24,310)	4,692	4,630	(14,988)
Net assets at end of the period	237,646	172,729	117,431	527,806	219,255	174,178	166,399	559,832
	(Rupees)				(Rupees)			
Net assets value per unit at beginning of the period	315.2585	171.9703	158.7278		366.3184	159.5394	147.2662	
Net assets value per unit at end of the period	384.7822	188.8275	168.6025		330.4818	163.7395	151.8849	

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer

Chief Executive Officer

Director

HBL Pension Fund

Condensed Interim Cash Flow Statement (Unaudited)

For the six months period ended December 31, 2019

Note	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
CASH FLOW FROM OPERATING ACTIVITIES								
Net income / (loss) for the period	44,648	14,492	6,693	65,833	(24,310)	4,692	4,630	(14,988)
Adjustments								
Unrealised (appreciation) / diminution in the market value of investments classified as fair value through profit or loss	(33,570)	(1,885)	(43)	(35,498)	24,195	387	-	24,582
	11,078	12,607	6,650	30,335	(115)	5,079	4,630	9,594
(Increase) / decrease in assets								
Investments - net	(13,675)	(21,642)	(11,955)	(47,272)	1,469	(39,150)	(41,345)	(79,026)
Dividend and profit receivable	69	(1,286)	180	(1,037)	409	5	(175)	239
Advances, deposits, prepayments and other receivables	1,000	1	-	1,001	(33)	(19)	(12)	(64)
	(12,606)	(22,927)	(11,775)	(47,308)	1,845	(39,164)	(41,532)	(78,851)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	59	37	(36)	60	(6)	-	23	17
Payable to Central Depository Company of Pakistan Limited - Trustee	7	6	-	13	39	26	25	90
Payable to Securities and Exchange Commission of Pakistan	(46)	(27)	(28)	(101)	(35)	(32)	(26)	(93)
Accrued expenses and other liabilities	873	(37)	(444)	392	(5,726)	(95)	(351)	(6,172)
	893	(21)	(508)	364	(5,728)	(101)	(329)	(6,158)
Net cash (used in) / generated from operating activities	(635)	(10,341)	(5,633)	(16,609)	(3,998)	(34,186)	(37,231)	(75,415)
CASH FLOW FROM FINANCING ACTIVITIES								
Amount received on issue of units	23,946	49,484	13,275	86,705	36,893	18,242	44,943	100,078
Amount paid on redemption of units	(35,028)	(27,964)	(23,374)	(86,366)	(52,799)	(24,010)	(25,884)	(102,693)
Reallocation among funds	11,376	(8,003)	(3,373)	-	7,023	(5,051)	(1,972)	-
Net cash generated from / (used in) financing activities	294	13,517	(13,472)	339	(8,883)	(10,819)	17,087	(2,615)
Net (decrease) / increase in cash and cash equivalents	(341)	3,176	(19,105)	(16,270)	(12,881)	(45,005)	(20,144)	(78,030)
Cash and cash equivalents at beginning of the period	16,045	59,315	110,412	185,772	30,584	80,285	89,795	200,664
Cash and cash equivalents at end of the period	15,704	62,491	91,307	169,502	17,703	35,280	69,651	122,634

The annexed notes 1 to 21 form an integral part of the condensed interim financial information.

HBL Pension Fund

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended December 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a pension fund on October 05, 2011.

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 Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

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.

The objective of the Fund is to provide individuals with a portable, individualised, funded (based on defined contribution), flexible pension scheme, assisting and facilitating them to plan and provide for their retirement.

The Fund consists of three sub-funds namely, HBL Pension Fund Equity Sub-Fund ("Equity Sub-Fund"), HBL Pension Fund Debt Sub-Fund ("Debt Sub-Fund") and HBL Pension Fund Money Market Sub-Fund ("Money Market Sub-Fund") (collectively the "Sub-Funds"). The investment policy for each of the sub-funds 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 5% 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 25% of NAV or index weight, subject to a maximum of 30% 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 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 assets in the Sub-Fund shall be invested in securities issued by the Federal Government. Upto twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating with stable outlook. Exposure to securities issued by companies of a single sector shall not exceed twenty percent (20%) except for banking sector for which the exposure limit shall be up to thirty percent (30%) of net assets of a debt sub-fund. Composition of the remaining portion of the investments shall be as defined in the offering document.
- The Money Market Sub-Fund consists of short term debt instruments with weighted average time to maturity not exceeding ninety days. There is no restriction on the amount of investment in securities issued by the Federal Government. However, deposits with commercial banks having 'A+' or higher rating 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 the offering document.

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 & Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

VIS Credit Rating Agency has assigned management quality rating of 'AM2+ (positive)' to the Pension Fund Manager while the Fund is currently not rated.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and or directives issued under the Companies Act, 2017.

In case where requirements differ, the VPS Rules and the provisions of and or directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

2.2 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2019.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2019.

6. BANK BALANCES

Note	December 31, 2019				June 30, 2019			
	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)							
Savings accounts	15,704	62,491	91,307	169,502	16,045	59,315	110,412	185,772
	15,704	62,491	91,307	169,502	16,045	59,315	110,412	185,772

This represents bank accounts held with various banks. Profit rates on these accounts range between 11.24% to 14.50% per annum (June 30, 2019: 8.75% to 13.5% per annum).

7. INVESTMENTS

Note	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Investments by category								
At fair value through profit or loss								
Listed equity securities	225,520	-	-	225,520	178,275	-	-	178,275
Government securities								
Market treasury bills	-	46,742	26,832	73,574	-	37,477	-	37,477
Pakistan investment bonds	-	29,393	-	29,393	-	50	-	50
Term finance certificates and sukuk bonds	-	33,165	-	33,165	-	44,264	-	44,264
	225,520	109,300	26,832	361,652	178,275	81,791	-	260,066
At Amortised Cost								
Commercial Paper	-	-	-	-	-	3,982	14,834	18,816
	225,520	109,300	26,832	361,652	178,275	85,773	14,834	278,882

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

Held by Equity Sub-Fund

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

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Cost of holdings as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----		-----%-----		
Automobile Parts & Accessories										
Thal Limited (Rs. 5 each)	13,100	14,300	-	7,000	20,400	6,354	6,900	3.06	2.90	0.03
	13,100	14,300	-	7,000	20,400	6,354	6,900	3.06	2.90	0.03
Cement										
Kohat Cement Limited	14,000	5,000	-	4,000	15,000	804	1,161	0.51	0.49	0.01
Lucky Cement Limited	12,850	12,700	-	3,200	22,350	8,696	9,575	4.30	4.03	0.01
Maple Leaf Cement Factory Limited	-	90,000	-	90,000	-	-	-	-	-	-
	26,850	107,700	-	97,200	37,350	9,500	10,736	4.81	4.52	0.02
Chemical										
Engro Polymer and Chemicals Limited	148,314	106,000	-	63,500	190,814	4,900	6,337	2.90	2.67	0.02
I.C.I Pakistan Limited	-	4,000	-	-	4,000	1,980	2,699	-	-	-
Lotte Chemical Pakistan Limited	-	70,000	-	70,000	-	-	-	-	-	-
Sitara Chemical Industries Limited	7,700	-	-	-	7,700	2,355	2,298	1.02	0.97	0.04
	156,014	180,000	-	133,500	202,514	9,235	11,334	3.92	3.64	0.06
Commercial Banks										
Allied Bank Limited	68,400	6,000	-	15,300	59,100	6,153	5,650	2.51	2.38	0.01
Askari Bank Limited	-	106,000	-	106,000	-	-	-	-	-	-
Bank Alfalah Limited	280,185	38,000	-	21,000	297,185	12,932	13,581	6.02	5.71	0.02
Bank of Punjab Limited	397,000	200,000	-	81,000	516,000	4,988	5,846	2.59	2.46	0.02
Bank Al Habib Limited	85,000	83,000	-	48,000	120,000	8,875	9,139	4.05	3.85	0.01
Faysal Bank Limited	840	118,000	-	118,000	840	13	16	0.01	0.01	0.00
MCB Bank Limited	38,700	27,500	-	26,100	40,100	6,944	8,218	3.64	3.46	0.00
Meezan Bank Limited	22,270	21,000	-	43,000	270	23	26	0.01	0.01	0.00
National Bank of Pakistan	-	128,000	-	23,000	105,000	3,677	4,547	2.02	1.91	0.00
United Bank Limited	62,800	21,500	-	5,500	78,800	11,580	12,963	5.75	5.45	0.01
	955,195	749,000	-	486,900	1,217,295	55,185	59,985	26.60	25.24	0.07
Engineering										
Mughal Iron and Steel Industries Limited ***	675	-	-	-	675	17	28	0.01	0.01	-
International Steels Limited	-	67,500	-	48,000	19,500	1,199	1,129	0.50	0.48	0.00
	675	67,500	-	48,000	20,175	1,216	1,157	0.51	0.49	0.00

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Cost of holdings as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of total investments	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----					----- (Rupees in '000) -----		-----%-----		
Fertilizer										
Engro Corporation Limited	43,360	6,900	-	13,800	36,460	9,762	12,588	5.60	5.30	0.01
Engro Fertilizers Limited	151,000	-	-	72,000	79,000	5,054	5,801	2.60	2.44	0.01
Fauji Fertilizer Bin Qasim Limited	-	114,000	-	114,000	-	-	-	-	-	-
Fauji Fertilizer Company Limited	43,490	60,000	-	57,990	45,500	4,391	4,617	2.05	1.94	-
	<u>237,850</u>	<u>180,900</u>	<u>-</u>	<u>257,790</u>	<u>160,960</u>	<u>19,207</u>	<u>23,006</u>	<u>10.25</u>	<u>9.68</u>	<u>0.02</u>
Glass and Ceramics										
Tariq Glass Limited	-	27,500	-	27,500	-	-	-	-	-	-
	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Insurance										
Adamjee Insurance Company Limited	50,000	127,000	-	70,000	107,000	3,624	4,504	2.00	1.90	0.03
	<u>50,000</u>	<u>127,000</u>	<u>-</u>	<u>70,000</u>	<u>107,000</u>	<u>3,624</u>	<u>4,504</u>	<u>2.00</u>	<u>1.90</u>	<u>0.03</u>
Leather & Tanneries										
Bata Pakistan Limited	240	1,500	-	680	1,060	1,272	2,113	1.20	0.89	0.01
	<u>240</u>	<u>1,500</u>	<u>-</u>	<u>680</u>	<u>1,060</u>	<u>1,272</u>	<u>2,113</u>	<u>1.20</u>	<u>0.89</u>	<u>0.01</u>
Oil and Gas Exploration Companies										
Mari Petroleum Company Limited	10,828	3,100	1,392	6,000	9,320	8,264	12,210	5.41	5.14	0.01
Oil and Gas Development Company Limited	108,100	31,700	-	13,700	126,100	16,244	17,947	7.96	7.55	0.00
Pakistan Oilfields Limited	19,360	1,300	-	2,900	17,760	7,175	7,934	3.52	3.34	0.01
Pakistan Petroleum Limited	73,715	70,400	16,383	29,200	131,298	15,132	18,006	7.98	7.58	0.00
	<u>212,003</u>	<u>106,500</u>	<u>17,775</u>	<u>51,800</u>	<u>284,478</u>	<u>46,815</u>	<u>56,097</u>	<u>24.87</u>	<u>23.61</u>	<u>0.02</u>
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited ***	43,148	75,500	7,229	87,500	38,377	5,339	7,355	3.30	3.09	0.01
Sui Northern Gas Pipelines Limited	55,700	15,500	-	8,000	63,200	4,461	4,814	2.13	2.03	0.01
	<u>98,848</u>	<u>91,000</u>	<u>7,229</u>	<u>95,500</u>	<u>101,577</u>	<u>9,800</u>	<u>12,169</u>	<u>5.43</u>	<u>5.12</u>	<u>0.02</u>
Paper & Board										
Century Paper and Board Mills Limited	39,000	-	-	7,000	32,000	997	1,621	0.75	0.68	0.02
Security Paper Limited	24,000	-	-	24,000	-	-	-	-	-	-
	<u>63,000</u>	<u>-</u>	<u>-</u>	<u>31,000</u>	<u>32,000</u>	<u>997</u>	<u>1,621</u>	<u>0.75</u>	<u>0.68</u>	<u>0.02</u>
Pharmaceuticals										
Abbott Laboratories (Pakistan) Limited	-	6,000	-	6,000	-	-	-	-	-	-
AGP Limited	16,375	19,000	-	7,500	27,875	1,785	2,769	1.23	1.17	-
Highnoon Laboratories Limited ***	8,316	4,500	-	4,100	8,716	3,430	4,683	2.30	1.97	0.00
The Searle Company Limited ***	12,579	3,500	-	5,000	11,079	1,698	2,091	1.00	0.88	0.01
	<u>37,270</u>	<u>33,000</u>	<u>-</u>	<u>22,600</u>	<u>47,670</u>	<u>6,913</u>	<u>9,543</u>	<u>4.53</u>	<u>3.14</u>	<u>0.01</u>
Power Generation and Distribution										
Hub Power Company Limited	139,240	31,000	-	51,000	119,240	9,228	11,131	4.94	4.68	0.01
Pakgen Power Limited	68,000	-	-	68,000	-	-	-	-	-	0.00
K-Electric Limited	442,000	400,000	-	37,000	805,000	3,370	3,517	1.56	1.48	0.00
	<u>649,240</u>	<u>431,000</u>	<u>-</u>	<u>156,000</u>	<u>924,240</u>	<u>12,598</u>	<u>14,648</u>	<u>6.50</u>	<u>6.16</u>	<u>0.01</u>
Sugar and Allied Industries										
Shahmurad Sugar	1,900	-	-	1,900	-	-	-	-	-	-
	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Technology & Communication										
Systems Limited	-	12,500	-	12,500	-	-	-	-	-	-
	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Textile Composite										
Gul Ahmed Textile	-	95,500	-	41,000	54,500	2,330	2,350	1.10	0.99	0.01
Interloop Limited	67,988	27,000	-	54,000	40,988	1,819	2,379	1.10	1.00	-
Nishat Mills Limited	41,500	60,000	-	58,500	43,000	3,445	4,564	2.20	1.92	0.01
	<u>109,488</u>	<u>182,500</u>	<u>-</u>	<u>153,500</u>	<u>138,488</u>	<u>7,594</u>	<u>9,293</u>	<u>4.40</u>	<u>3.91</u>	<u>0.02</u>
Transport										
Pakistan National Shipping Corporation Limited	40,000	-	-	14,300	25,700	1,641	2,414	1.17	1.02	0.02
	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>14,300</u>	<u>25,700</u>	<u>1,641</u>	<u>2,414</u>	<u>1.17</u>	<u>1.02</u>	<u>0.02</u>
	2,651,673	2,311,900	25,004	1,667,670	3,320,907	191,951	225,520	100.00	92.90	0.36

*** These include gross bonus shares as per Fund's entitlement declared by the investee company. Finance Act, 2014 has brought amendments in the Income Tax Ordinance, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5 percent is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Pension Fund Manager of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan, has filed a petition in Honourable Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 57 (3) (viii) of Part I of the Second Schedule of the Income Tax Ordinance, 2001. The Honourable Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share (from Tax Year 2014 to Tax Year 2018) equivalent to 5% of bonus announcement amounting Rs. 0.1838 million (June 30, 2019: 0.201 million) and not yet deposited with Government Treasury. Pension Fund Manager is of the view that the decision will be in the favour and accordingly has recorded the bonus shares on gross basis.

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

Held by Debt Sub-Fund

Issue date	Tenor	Face value			Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
		As at July 1, 2019	Purchases during the period	Sales / matured during the period			As at December 31, 2019	Total investments of sub-fund
----- (Rupees in '000) -----								
Market Treasury Bills								
May 9, 2019	3 Months	12,500	-	12,500	-	-	-	-
May 23, 2019	3 Months	25,500	3,000	28,500	-	-	-	-
July 18, 2019	3 Months	-	237,000	237,000	-	-	-	-
August 1, 2019	3 Months	-	74,500	74,500	-	-	-	-
August 29, 2019	3 Months	-	15,000	15,000	-	-	-	-
September 26, 2019	1 Year	-	100,000	100,000	-	-	-	-
October 10, 2019	1 Year	-	112,000	112,000	-	-	-	-
October 24, 2019	1 Year	-	74,000	27,000	47,000	46,742	46,742	20.73
		38,000	615,500	606,500	47,000	46,742	46,742	20.73
Pakistan Investment Bonds								
July 17, 2014	5 Years	50	-	50	-	-	-	-
July 12, 2018	5 Years	-	131,800	131,800	-	-	-	-
July 12, 2018	10 Years	-	69,500	36,000	33,500	27,559	29,393	13.03
September 19, 2019	3 Years	-	25,000	25,000	-	-	-	-
September 19, 2019	5 Years	-	125,000	125,000	-	-	-	-
		50	351,300	317,850	33,500	27,559	29,393	13.03

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

Held by Money Market Sub-Fund

Issue date	Tenor	Face value			Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
		As at July 1, 2019	Purchases during the period	Sales / matured during the period			As at December 31, 2019	Total investments of sub-fund
----- (Rupees in '000) -----								
Treasury bill								
July 1, 2019	3 months	-	323,000	323,000	-	-	-	-
July 18, 2019	3 months	-	20,000	20,000	-	-	-	-
August 16, 2019	3 months	-	137,000	137,000	-	-	-	-
October 10, 2019	3 months	-	50,000	50,000	-	-	-	-
October 24, 2019	3 months	-	53,000	30,000	23,000	22,874	22,874	10.14
November 7, 2019	3 months	-	49,000	45,000	4,000	3,958	3,958	1.76
		-	632,000	605,000	27,000	26,832	26,832	11.90
								15.53

7.4 Term finance certificates and sukuk bonds - at fair value through profit or loss

Held by Debt Sub-Fund

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
							Total Investments	Net Assets
-----Number of certificates----- (Rupees in '000)----- %-----								
Commercial Banks								
Bank of Punjab	60	-	-	60	5,993	5,899	2.62	3.42
Bank Alfalah Limited	1,000	-	-	1,000	4,987	4,989	2.21	2.89
	1,060	-	-	1,060	10,980	10,888	4.83	6.31
Multiutilities								
Water and Power Development Authority	798	-	-	798	1,140	1,179	0.52	0.68
K-Electric Limited	1,200	-	-	1,200	3,000	3,019	1.34	1.75
Hub Power Company Limited	1,800	-	1,800	-	-	-	-	-
	3,798	-	1,800	1,998	4,140	4,198	1.86	2.43
Fertilizers								
Dawood Hercules Corporation Limited Sukuk	60	-	-	60	4,800	4,789	2.12	2.77
	60	-	-	60	4,800	4,789	2.12	2.77
Miscellaneous								
International Brands Limited Sukuk	40	-	-	40	3,412	3,369	1.49	1.95
Jahangir Siddiqui and Company Limited	2,000	-	-	2,000	10,000	9,921	4.40	5.74
	2,040	-	-	2,040	13,412	13,290	5.89	7.69
Total	6,958	-	1,800	5,158	33,332	33,165	14.70	19.20

7.4.1 Significant terms and conditions of term finance certificates and sukuk bonds outstanding as at December 31, 2019 are as follows:

Name of security	Remaining principal (Rupees per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Bank Alfalah Limited	4,987	6 months KIBOR + 1.25%	20-Feb-13	20-Feb-21
Bank of Punjab	99,900	6 months KIBOR+1%	23-Dec-16	23-Dec-26
Water and Power Development Authority	1,429	6 months KIBOR+1.4%	14-Oct-13	14-Oct-21
K-Electric Limited	2,750	3 months Kibor + 1%	17-Jun-15	17-Jun-22
Dawood Hercules Corporation Limited Sukuk	80,000	3 months KIBOR + 1%	16-Nov-17	16-Nov-22
International Brands Limited Sukuk	85,298	12 months KIBOR + 0.5%	15-Nov-17	15-Nov-21
Jahangir Siddiqui and Company Limited	100,000	6 months KIBOR + 1.75%	6-Mar-18	6-Mar-23

7.5 Commercial papers - at amortised cost

7.5.1 Held by Debt Sub-Fund

Name of Company	Note	Maturity Date	As at July 1, 2019	Placement made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Percentage of total value of investments	Percentage of Net Assets	
			(Rupees in '000)						%	
Hascol Petroleum Limited	7.5.1.1	July 15, 2019	3,982	-	18	4,000	-	-	-	
			<u>3,982</u>	<u>-</u>	<u>18</u>	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	

7.5.1.1 This commercial paper has been placed at discount at a rate of 12.20% per annum and is being amortised over a period of 184 days.

8. DIVIDEND AND PROFIT RECEIVABLE

	December 31, 2019				June 30, 2019			
	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	14	-	-	14	96	-	-	96
Profit receivable on bank deposits	126	622	810	1,558	113	507	990	1,610
Profit accrued on term finance certificates and sukuk bonds	-	946	-	946	-	1,166	-	1,166
Profit accrued on government securities	-	1,393	-	1,393	-	2	-	2
	<u>140</u>	<u>2,961</u>	<u>810</u>	<u>3,911</u>	<u>209</u>	<u>1,675</u>	<u>990</u>	<u>2,874</u>

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2019				June 30, 2019			
	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	100	100	100	300	100	100	100	300
Receivable against sale of investments	-	-	-	-	1,011	-	-	1,011
Others	31	105	78	214	20	106	78	204
	<u>131</u>	<u>205</u>	<u>178</u>	<u>514</u>	<u>1,131</u>	<u>206</u>	<u>178</u>	<u>1,515</u>

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

Note	December 31, 2019				June 30, 2019			
	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)								
Management fee	291	214	144	649	243	169	146	558
Sindh Sales Tax	43	32	22	97	32	22	19	73
Sales load payable	1	3	-	4	1	21	37	59
	<u>335</u>	<u>249</u>	<u>166</u>	<u>750</u>	<u>276</u>	<u>212</u>	<u>202</u>	<u>690</u>

11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

Note	December 31, 2019				June 30, 2019			
	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)								
Trustee remuneration	30	22	15	67	24	17	15	56
Sindh Sales Tax on Trustee remuneration	4	3	2	9	3	2	2	7
	<u>34</u>	<u>25</u>	<u>17</u>	<u>76</u>	<u>27</u>	<u>19</u>	<u>17</u>	<u>63</u>

11.1 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 13% on the remuneration of Trustee through Sindh Sales Tax on Services Act, 2011, effective from 1 July 2016.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP 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% of average annual net asset value of the pension fund.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Auditors' remuneration	70	56	43	169	117	64	53	234
Payable against purchase of shares	-	-	-	-	-	-	-	-
Payable against redemption of units	1	5	16	22	47	322	584	953
Federal Excise Duty 13.1	763	878	836	2,477	763	878	836	2,477
Provision for Sindh Workers' Welfare Fund 16	2,536	984	596	4,116	1,643	694	462	2,799
Other payable	76	5	2	83	3	7	2	12
	3,446	1,928	1,493	6,867	2,573	1,965	1,937	6,475

13.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

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

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2019 aggregating to Rs. 0.763 million, 0.878 million and 0.836 million (June 30, 2019: Rs. 0.763 million, Rs. 0.878 million and Rs. 0.836 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at December 31, 2019 would have been higher by Rs. 1.219, Rs. 1.174 and Rs. 1.398 (June 30, 2019: Rs. 1.25, Rs. 1.04 and Rs. 1.07) per unit respectively.

14. CONTRIBUTION TABLE

Contributions received during the period are as follows:

	Half year ended December 31, 2019							
	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)
Individuals	72,143	23,946	270,589	49,484	78,206	13,275	420,938	86,705
	72,143	23,946	270,589	49,484	78,206	13,275	420,938	86,705
	Half year ended December 31, 2018							
	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)
Individuals	103,338	36,893	116,021	18,242	297,631	44,943	516,990	100,078
	103,338	36,893	116,021	18,242	297,631	44,943	516,990	100,078

15. NUMBER OF UNITS IN ISSUE

	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Number)							
Opening units in issue	611,256	841,542	782,539	2,235,337	689,150	1,130,160	982,454	2,801,764
Units issued during the period	72,143	270,589	78,206	420,938	224,446	272,996	469,659	967,101
Units redeemed during the period	(106,210)	(151,935)	(143,363)	(401,508)	(322,743)	(530,040)	(656,229)	(1,509,012)
Reallocation during the period	40,425	(45,449)	(20,888)	(25,912)	20,403	(31,574)	(13,345)	(24,516)
Total units in issue at the end of the period	617,614	914,747	696,494	2,228,855	611,256	841,542	782,539	2,235,337

16. PROVISION FOR WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 20 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund has recognised provision for SWWF in these financial statements amounting to Rs. 0.892 million, Rs. 0.290 million and Rs. 0.134 million for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the SWWF not been provided, the NAV per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs. 4.10, Rs. 1.08 and Rs. 0.86 (30 June 2019: Rs. 2.69, Rs. 0.82 and Rs. 0.59) per unit respectively.

17. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019 except those disclosed already.

18. 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 managed by the Management Company, directors and officers of the Management Company.

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

Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules 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:

18.1 Transactions during the period

	Half year ended December 31, 2019				Half year ended December 31, 2018			
	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	1,725	1,346	999	4,070	2,178	1,500	1,262	4,940
Habib Bank Limited - Sponsor								
Bank charges paid	19	13	9	41	15	20	13	48
Profit on bank deposits earned	520	665	614	1,799	280	246	177	703
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Reallocation of units	Number 2,680	(3,500)	(854)	(1,674)	1,448	(2,457)	(723)	(1,732)
Amount of units reallocated	756	(618)	(138)	-	499	(392)	(107)	-
Executives and their relatives								
Issuance of units	Number 703	2,252	-	2,955	736	1,659	398	2,793
Amount of units issued	210	390	-	600	270	270	60	1,700
Redemption of units issued	Number -	-	-	-	(382)	(206)	-	-
Amount of units redeemed	-	-	-	-	(124)	(33)	-	-
Reallocation of units	Number (8,839)	2,182	(854)	(7,511)	181	(355)	(39)	(213)
Amount of units reallocated	(363)	363	-	-	63	(57)	(6)	-
Directors and Executives of the Habib Bank Limited (Sponsor) their relatives								
Executives and their relatives								
Issuance of units	Number 424	2,425	904	3,753	904	6,362	2,295	9,561
Amount of units issued	150	450	150	750	340	1,020	340	1,700
Reallocation of units	Number 3,681	(4,558)	(1,444)	(2,321)	1,747	(2,752)	(1,102)	(2,107)
Amount of units reallocated	1,036	(803)	(233)	-	602	(439)	(163)	-

	Half year ended December 31, 2019				Half year ended December 31, 2018			
	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) -----								
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	173	135	100	408	218	150	127	495
Central Depository System charges	12	3	3	18	8	3	3	14
Directors of Connected Persons								
Units issued	-	59,419	-	59,419	-	-	-	-
Amount of units issued	-	11,000	-	11,000	-	-	-	-
Units redeemed	(272)	(5,052)	(10,963)	(16,287)	(218)	(1,879)	(7,627)	(9,724)
Amount of units redeemed	89	919	1,799	2,807	(79)	(304)	(1,143)	(1,526)
Units reallocated	701	(540)	(633)	(472)	456	(138)	(916)	(598)
Amount of units reallocated	197	(95)	(102)	-	157	(22)	(135)	-

18.2 Balances outstanding as at period end

	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
----- (Rupees in '000) -----								
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	291	214	144	649	243	169	146	558
Federal Excise Duty payable	763	878	836	2,477	763	878	836	2,477
Sindh Sales Tax payable	43	32	22	97	32	22	19	73
Sales load payable	-	-	-	-	1	21	37	59
Habib Bank Limited - Sponsor								
Units held	203,077	-	-	203,077	203,077	-	-	203,077
Amount of units held	78,140	-	-	78,140	64,022	-	-	64,022
Profit receivable on bank deposits	13	12	6	31	39	137	126	302
Bank balances	14,480	30,681	230,046	275,207	10,230	30,666	25,889	66,785
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Units held	12,950	49,670	13,539	76,156	10,270	53,170	14,392	77,832
Amount of units held	4,983	9,379	2,283	16,645	3,238	9,144	2,284	14,666
Executives and their relatives								
Units held	2,873	15,851	-	18,724	11,009	11,418	-	22,427
Amount of units held	1,105	2,993	-	4,098	3,471	1,963	-	5,434

	December 31, 2019				June 30, 2019			
	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 HBL Bank Limited - Sponsor and their relatives								
Executives and their relatives								
Units held	17,043	82,106	29,861	129,010	-	-	-	-
Amount of units held	6,558	15,504	5,035	27,097	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable	34	25	17	76	27	19	17	63
Security Deposit receivable	100	100	100	300	100	100	100	300
Directors of Connected Persons								
Units held	4,042	159,827	129,343	293,212	3,613	105,999	140,939	250,551
Amount of units held	1,555	30,180	21,808	53,543	1,139	18,229	22,371	41,739

19. 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 7.

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

		Held by Equity sub-fund								
		December 31, 2019								
		Carrying Amount			Fair Value					
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)										
On-balance sheet financial instruments										
Financial assets measured at fair value										
	- Listed equity securities	225,520	-	-	-	225,520	225,520	-	-	225,520
		225,520	-	-	-	225,520				
Financial assets not measured at fair value										
19.1	- Bank balances	-	-	-	15,704	15,704				
	- Dividend receivable and accrued mark-up	-	-	-	140	140				
	- Advances, deposits, prepayments and other receivables	-	-	-	131	131				
		-	-	-	15,975	15,975				
		225,520	-	-	15,975	241,495				
Financial liabilities not measured at fair value										
19.1	- Payable to the Pension Fund Manager	-	-	-	335	335				
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	34	34				
	- Accrued expenses and other liabilities	-	-	-	147	147				
		-	-	-	516	516				
(Rupees in '000)										
		Held by Equity sub-fund								
		June 30, 2019								
		Carrying Amount			Fair Value					
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total	
(Rupees in '000)										
On-balance sheet financial instruments										
Financial assets measured at fair value										
	- Listed equity securities	178,275	-	-	-	178,275	178,275	-	-	178,275
		178,275	-	-	-	178,275				
Financial assets not measured at fair value										
19.1	- Bank balances	-	-	-	16,045	16,045				
	- Dividend receivable and accrued mark-up	-	-	-	209	209				
	- Advances, deposits, prepayments and other receivables	-	-	-	1,131	1,131				
		-	-	-	17,385	17,385				
		178,275	-	-	17,385	195,660				
Financial liabilities not measured at fair value										
19.1	- Payable to the Pension Fund Manager	-	-	-	276	276				
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	27	27				
	- Accrued expenses and other liabilities	-	-	-	167	167				
		-	-	-	470	470				

		Held by Debt sub-fund							
		December 31, 2019				December 31, 2019			
On-balance sheet financial instruments		Carrying Amount				Fair Value			
Note	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
	- Government securities								
	- Market Treasury Bills	46,742	-	-	46,742	-	46,742	-	46,742
	- Pakistan Investment Bonds	29,393	-	-	29,393	-	29,393	-	29,393
	- Term Finance Certificates and Sukuk Bonds - Unlisted	33,165	-	-	33,165	-	33,165	-	33,165
		109,300	-	-	109,300	-	-	-	109,300
Financial assets not measured at fair value									
19.1	- Bank balances	-	-	-	62,491	-	-	-	62,491
	- Dividend receivable and accrued mark-up	-	-	-	2,961	-	-	-	2,961
	- Advances, deposits, prepayments and other receivables	-	-	-	205	-	-	-	205
		-	-	-	65,657	-	-	-	65,657
		109,300	-	-	65,657	-	-	-	174,957
Financial liabilities not measured at fair value									
19.1	- Payable to the Pension Fund Manager	-	-	-	249	-	-	-	249
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	25	-	-	-	25
	- Accrued expenses and other liabilities	-	-	-	66	-	-	-	66
		-	-	-	340	-	-	-	340
(Rupees in '000)									
		June 30, 2019				June 30, 2019			
On-balance sheet financial instruments		Carrying Amount				Fair Value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
	- Government securities								
	- Market Treasury Bills	37,477	-	-	37,477	-	37,477	-	37,477
	- Pakistan Investment Bonds	50	-	-	50	-	50	-	50
	- Term Finance Certificates and Sukuk Bonds - Unlisted	44,264	-	-	44,264	-	44,264	-	44,264
		81,791	-	-	81,791	-	-	-	81,791
Financial assets not measured at fair value									
19.1	- Bank balances	-	-	-	59,315	-	-	-	59,315
	- Dividend receivable and accrued mark-up	-	-	-	1,675	-	-	-	1,675
	- Advances, deposits, prepayments and other receivables	-	-	-	206	-	-	-	206
	- Commercial papers	-	-	-	3,982	-	-	-	3,982
		-	-	-	65,178	-	-	-	65,178
		81,791	-	-	65,178	-	-	-	146,969
Financial liabilities not measured at fair value									
19.1	- Payable to the Pension Fund Manager	-	-	-	212	-	-	-	212
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	19	-	-	-	19
	- Accrued expenses and other liabilities	-	-	-	393	-	-	-	393
		-	-	-	624	-	-	-	624
(Rupees in '000)									
		December 31, 2019				December 31, 2019			
On-balance sheet financial instruments		Carrying Amount				Fair Value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
	- Government securities								
	- Market Treasury Bills	26,832	-	-	26,832	-	26,832	-	26,832
		26,832	-	-	26,832	-	-	-	26,832
Financial assets not measured at fair value									
19.1	- Bank balances	-	-	-	91,307	-	-	-	91,307
	- Dividend receivable and accrued mark-up	-	-	-	810	-	-	-	810
	- Advances, deposits, prepayments and other receivables	-	-	-	178	-	-	-	178
		-	-	-	92,295	-	-	-	92,295
		26,832	-	-	92,295	-	-	-	119,127
Financial liabilities not measured at fair value									
19.1	- Payable to the Pension Fund Manager	-	-	-	166	-	-	-	166
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	17	-	-	-	17
	- Accrued expenses and other liabilities	-	-	-	61	-	-	-	61
		-	-	-	244	-	-	-	244
(Rupees in '000)									
		June 30, 2019				June 30, 2019			
On-balance sheet financial instruments		Carrying Amount				Fair Value			
	Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets not measured at fair value									
19.1	- Bank balances	-	-	-	110,412	-	-	-	110,412
	- Dividend receivable and accrued mark-up	-	-	-	990	-	-	-	990
	- Advances, deposits, prepayments and other receivables	-	-	-	178	-	-	-	178
	- Commercial Papers	-	-	-	14,834	-	-	-	14,834
		-	-	-	126,414	-	-	-	126,414
		-	-	-	126,414	-	-	-	126,414
Financial liabilities not measured at fair value									
19.1	- Payable to the Pension Fund Manager	-	-	-	202	-	-	-	202
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	17	-	-	-	17
	- Accrued expenses and other liabilities	-	-	-	639	-	-	-	639
		-	-	-	858	-	-	-	858

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

19.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

20. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on February 13, 2020.

21. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director

HBL

Islamic Pension Fund

FUND INFORMATION

Name of Fund	Islamic Pension Fund
Name of Auditor	KPMG Taseer Hadi & Co.
Name of Trustee	Central Depository Company of Pakistan Limited (CDC)
Bankers	Habib Bank Limited Faysal Bank Limited Allied Bank Limited Dubai Islamic Bank Summit Bank Limited Meezan Bank Limited Bank Al Habib Limited Bank Islami Pakistan Limited Soneri Bank Limited Habib Metropolitan Bank Limited



KPMG Taseer Hadi & Co.
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Independent Auditors' Review Report to the Participants of HBL Islamic Pension Fund

Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **HBL Islamic Pension Fund** ("the Fund") as at December 31, 2019 and the related condensed interim income statement and statement of comprehensive income, condensed interim statement of movement in participants' funds, condensed interim cash flow statement and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Pension Fund Manager is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarter ended December 31, 2019 in the condensed interim income statement and statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



KPMG Taseer Hadi & Co.

The engagement partner on the engagement resulting in this independent auditor's review report is Zeeshan Rashid.

Date: 24 February 2020

Karachi

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.

Chartered Accountants

HBL Islamic Pension Fund
Condensed Interim Statement of Assets and Liabilities (Un-Audited)
As at December 31, 2019

Note	31 December, 2019 (Un-Audited)				30 June, 2019 (Audited)				
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	
----- (Rupees in '000) -----				----- (Rupees in '000) -----					
Assets									
Bank balances	6	10,809	53,020	47,124	110,953	12,902	47,175	49,444	109,521
Investments	7	133,910	11,610	2,441	147,961	111,997	25,333	3,975	141,305
Dividend and profit receivable	8	55	657	398	1,110	169	943	653	1,765
Advances, deposits, prepayments and other receivables	9	14,622	160	133	14,915	595	160	133	888
Total assets		159,396	65,447	50,096	274,939	125,663	73,611	54,205	253,479
Liabilities									
Payable to Pension Fund Manager	10	221	94	70	385	207	116	90	413
Payable to Central Depository Company of Pakistan Limited - Trustee	11	22	9	7	38	17	10	8	35
Payable to Securities and Exchange Commission of Pakistan	12	22	12	9	43	60	31	25	116
Accrued expenses and other liabilities	13	4,189	865	692	5,746	3,490	855	838	5,183
Total liabilities		4,454	980	778	6,212	3,774	1,012	961	5,747
Net assets		154,942	64,467	49,318	268,727	121,889	72,599	53,244	247,732
Participants' sub funds (as per statement attached)		154,942	64,467	49,318	268,727	121,889	72,599	53,244	247,732
Number of units in issue	15	387,594	403,787	317,389	1,108,770	376,403	476,820	357,964	1,211,187
Net assets value per unit	<i>Rupees</i>	399.7499	159.6585	155.3844		323.8249	152.2556	148.7437	

The annexed notes 1 to 23 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
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the six months period ended December 31, 2019

Note	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
------(Rupees in '000)-----								
Income								
Dividend income	4,059	-	-	4,059	4,268	-	-	4,268
Profit on bank deposits calculated using the effective yield method	425	2,811	2,780	6,016	634	2,312	1,900	4,846
Mark-up / return on investments calculated using the effective yield method	-	1,388	140	1,528	-	1,750	1,406	3,156
Realised gain / (loss) on sale of investments	6,568	(24)	-	6,544	(2,818)	(89)	(2)	(2,909)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	23,443	33	-	23,476	(16,263)	(58)	-	(16,321)
	34,495	4,208	2,920	41,623	(14,179)	3,915	3,304	(6,960)
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	1,109	606	450	2,165	1,593	888	735	3,216
Remuneration of Central Depository Company of Pakistan Limited - Trustee	111	61	45	217	160	89	74	323
Annual fee to Securities and Exchange Commission of Pakistan	22	12	9	43	31	17	14	62
Auditors' remuneration	90	48	38	176	84	84	84	252
Settlement and bank charges	20	24	19	63	252	11	11	274
Other expenses	242	4	3	249	167	60	9	236
	1,594	755	564	2,913	2,287	1,149	927	4,363
Provision for Sindh Workers' Welfare Fund (SWWF)	32,901	3,453	2,356	38,710	(16,466)	2,766	2,377	(11,323)
Net income / (loss) before taxation	(645)	(68)	(46)	(759)	-	(52)	(47)	(99)
Taxation	32,256	3,385	2,310	37,951	(16,466)	2,714	2,330	(11,422)
Net income / (loss) for the period	-	-	-	-	-	-	-	-
	32,256	3,385	2,310	37,951	(16,466)	2,714	2,330	(11,422)

The annexed notes 1 to 23 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
Condensed Interim Income Statement And Comprehensive Income (Un-Audited)
For the three months period ended December 31, 2019

Note	2019				2018			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	----- (Rupees in '000) -----							
Income								
Dividend income	2,480	-	-	2,480	2,493	-	-	2,493
Profit on bank deposits calculated using the effective yield method	188	1,345	1,339	2,872	307	1,237	470	2,014
Mark-up / return on investments calculated using the effective yield method	-	587	90	677	-	1,061	1,303	2,364
Realised gain / (loss) on sale of investments	10,403	-	-	10,403	(2,811)	(89)	(2)	(2,902)
Unrealised appreciation / (diminution) on re-measurement of investments at fair value through profit or loss	26,407	13	-	26,420	(14,806)	112	-	(14,694)
	<u>39,478</u>	<u>1,945</u>	<u>1,429</u>	<u>42,852</u>	<u>(14,817)</u>	<u>2,321</u>	<u>1,771</u>	<u>(10,725)</u>
Expenses								
Remuneration of HBL Asset Management Limited - Pension Fund Manager	627	288	221	1,136	830	462	378	1,670
Remuneration of Central Depository Company of Pakistan Limited - Trustee	63	29	22	114	83	46	38	167
Annual fee to Securities and Exchange Commission of Pakistan	13	6	4	23	16	9	7	32
Auditors' remuneration	140	25	19	184	9	9	9	27
Settlement and bank charges	16	21	16	53	101	6	6	113
Other expenses	163	4	3	170	349	47	3	399
	<u>1,022</u>	<u>373</u>	<u>285</u>	<u>1,680</u>	<u>1,388</u>	<u>579</u>	<u>441</u>	<u>2,408</u>
(Provision) / Reversal for Sindh Workers' Welfare Fund (SWWF)	38,456	1,572	1,144	41,172	(16,205)	1,742	1,330	(13,133)
Net income / (loss) before taxation	<u>(645)</u>	<u>(31)</u>	<u>(22)</u>	<u>(698)</u>	<u>9</u>	<u>(28)</u>	<u>(27)</u>	<u>(46)</u>
Taxation	37,811	1,541	1,122	40,474	(16,196)	1,714	1,303	(13,179)
Net income / (loss) for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>37,811</u>	<u>1,541</u>	<u>1,122</u>	<u>40,474</u>	<u>(16,196)</u>	<u>1,714</u>	<u>1,303</u>	<u>(13,179)</u>

The annexed notes 1 to 23 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
Condensed Interim Statement of Movement in Participants' Funds (Un-Audited)
For the six months period ended December 31, 2019

Note	2019				2018			
	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) -----			
Net assets at beginning of the period	121,889	72,599	53,244	247,732	171,901	101,731	83,431	357,063
Issuance of units	13,923	21,627	7,912	43,462	47,625	29,485	33,951	111,061
Redemption of units	(21,490)	(26,898)	(12,030)	(60,418)	(21,042)	(20,711)	(25,285)	(67,038)
Reallocation among funds	8,364	(6,246)	(2,118)	-	3,187	(2,443)	(744)	-
	797	(11,517)	(6,236)	(16,956)	29,770	6,331	7,922	44,023
Other comprehensive income								
Net income / (loss) for the period	32,256	3,385	2,310	37,951	(16,466)	2,714	2,330	(11,422)
Total comprehensive income / (loss) for the period	32,256	3,385	2,310	37,951	(16,466)	2,714	2,330	(11,422)
Net assets at end of the period	154,942	64,467	49,318	268,727	185,205	110,776	93,683	389,664
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Net assets value per unit at beginning of the period	323.8249	152.2556	148.7437		388.2683	141.8178	139.3646	
Net assets value per unit at end of the period	399.7499	159.6585	155.3844		357.1940	145.3743	143.2869	

The annexed notes 1 to 23 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
Condensed Interim Cash Flow Statement (Unaudited)
For the six months period ended December 31, 2019

Note	2019				2018			
	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)			
CASH FLOW FROM OPERATING ACTIVITIES								
Net income / (loss) for the period	32,256	3,385	2,310	37,951	(16,466)	2,714	2,330	(11,422)
Adjustments								
Unrealised (appreciation) / diminution in the market value of investments classified as fair value through profit or loss	(23,443)	(33)	-	(23,476)	16,263	58	-	16,321
	8,813	3,352	2,310	14,475	(203)	2,772	2,330	4,899
(Increase) / decrease in assets								
Investments - net	1,530	13,756	1,534	16,820	(32,474)	5,927	(7,349)	(33,896)
Dividend and profit receivable	114	286	255	655	260	(619)	(352)	(711)
Advances, deposits, prepayments and other receivables	(14,027)	-	-	(14,027)	(1)	(425)	(3)	(429)
	(12,383)	14,042	1,789	3,448	(32,215)	4,883	(7,704)	(35,036)
Increase / (decrease) in liabilities								
Payable to HBL Asset Management Limited - Pension Fund Manager	14	(22)	(20)	(28)	43	17	20	80
Payable to Central Depository Company of Pakistan Limited - Trustee	5	(1)	(1)	3	35	17	15	67
Payable to Securities and Exchange Commission of Pakistan	(38)	(19)	(16)	(73)	(26)	(15)	(11)	(52)
Accrued expenses and other liabilities	699	10	(146)	563	(723)	15	(150)	(858)
	680	(32)	(183)	465	(671)	34	(126)	(763)
Net cash (used in) / generated from operating activities	(2,890)	17,362	3,916	18,388	(33,089)	7,689	(5,500)	(30,900)
CASH FLOW FROM FINANCING ACTIVITIES								
Amount received on issue of units	13,923	21,627	7,912	43,462	47,625	29,485	33,951	111,061
Amount paid on redemption of units	(21,490)	(26,898)	(12,030)	(60,418)	(21,042)	(20,711)	(25,285)	(67,038)
Reallocation among funds	8,364	(6,246)	(2,118)	-	3,187	(2,443)	(744)	-
Net cash generated from / (used in) financing activities	797	(11,517)	(6,236)	(16,956)	29,770	6,331	7,922	44,023
Net (decrease) / increase in cash and cash equivalents	(2,093)	5,845	(2,320)	1,432	(3,319)	14,020	2,422	13,123
Cash and cash equivalents at beginning of the period	12,902	47,175	49,444	109,521	22,106	64,977	83,992	171,075
Cash and cash equivalents at end of the period	10,809	53,020	47,124	110,953	18,787	78,997	86,414	184,198

The annexed notes 1 to 23 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

Notes to the Condensed Interim Financial Information (Unaudited)

For the six months period ended December 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

HBL Islamic Pension Fund ("the Fund") was established under a Trust Deed, dated August 17, 2011, between HBL Asset Management Limited as the Pension Fund Manager (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 Pension Fund Manager has been licensed to act as a Pension Fund Manager under the Voluntary Pension System Rules, 2005 (VPS Rules) through a certificate of registration issued by the SECP. The registered office of the Pension Fund Manager is situated at 7th floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Karachi, Pakistan.

The Fund is an unlisted pension scheme and offers units for public subscription on a continuous basis. The units are non-transferable except in the circumstances mentioned in VPS Rules and can be redeemed by surrendering to the Fund. Further, as per the offering document, no distribution of income or dividend is allowed from any of the sub-funds.

The Fund has been formed to enable the participants to contribute in a diversified portfolio of securities, which are Shariah compliant. Under the Trust Deed, all the conducts and acts of the Fund are based on Shariah. The Pension Fund Manager has appointed Al-Hilal Shariah Advisors (Pvt.) Limited as Shariah Advisor to the Pension Fund to ensure that the activities of the Fund are in compliance with the principles of Shariah.

The Fund consists of three sub-funds namely, HBL Islamic Pension Fund - Equity Sub-Fund, 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 10% of Net Asset Value (NAV) or paid-up capital of the investee company. Investment in a single stock exchange sector is restricted to the higher of 30% of NAV or index weight, subject to a maximum of 35% of NAV. Remaining assets of the Equity Sub-Fund may be invested in any government security having less than one year time to maturity, or be deposited with Islamic commercial banks or Islamic window of a commercial bank having at least 'A' rating. 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 assets in the sub-fund shall be invested in debt securities issued by the Federal Government. Up to twenty five percent (25%) may be deposited with banks having not less than 'AA+' rating. 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.
- The Money Market Sub-Fund consists of Shariah compliant short-term money market securities with weighted average time to maturity not exceeding one year. There is no restriction on the amount of investment in securities issued by Federal Government and Islamic windows of commercial banks having 'A+' rating provided that deposits with one bank shall not exceed 20% of net assets of Money Market Sub-Fund. Investments in securities issued by Provincial Government, City Government, Government corporation with 'A' or higher rating or a corporate entity with 'A+' or higher rating shall be in proportion as defined in offering document.

The Fund offers five types of allocation schemes, as prescribed by the SECP under VPS Rules, to the contributors of the Fund namely High Volatility, Medium Volatility, Low Volatility, Lower Volatility and Life Cycle Allocation. The participants of the Fund voluntarily determine the contribution amount, subject to the minimum limit fixed by the Pension Fund Manager. The allocation to the Sub-Funds has to be done at the date of opening of contributor's pension account and on an anniversary date thereafter. The contribution amount may be paid by the contributor on a periodic basis such as annual, semi annual, quarterly or monthly basis.

VIS Credit Rating Agency has assigned management quality rating of 'AM2+ (positive)' to the Pension Fund Manager while the Fund is currently not rated.

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

2.1.1 The condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of the Voluntary Pension System Rules, 2005 (the VPS Rules); and
- Provisions of and or directives issued under the Companies Act, 2017.

In case where requirements differ, the VPS Rules and the provisions of and or directives issued under the Companies Act, 2017 have been followed.

2.1.2 This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual financial statements of the Fund as at and for the year ended June 30, 2019. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Fund's financial position and performance since the last financial statements.

2.1.3 This condensed interim financial information is being submitted to the participants as required under Regulation 7(f) of the VPS Rules, 2005.

2.2 Basis of Measurement

This condensed interim financial information has been prepared under the historical cost convention except for the investments which are stated at fair value.

2.3 Functional and presentation currency

This condensed interim financial information is presented in Pakistani Rupees which is the Fund's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Fund for the year, ended June 30, 2019.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumption that affect the application of accounting policies and reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to financial statements as at and for the year ended June 30, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2019.

6. BANK BALANCES

Note	December 31, 2019				June 30, 2019			
	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)								
Savings accounts	10,809	53,020	47,124	110,953	12,902	47,175	39,344	99,421
Term deposit receipts (TDRs)	-	-	-	-	-	-	10,100	10,100
	<u>10,809</u>	<u>53,020</u>	<u>47,124</u>	<u>110,953</u>	<u>12,902</u>	<u>47,175</u>	<u>49,444</u>	<u>109,521</u>

6.1 This represents bank accounts held with various banks. Profit rates on these accounts range between 6.00% to 14.30% per annum (Year ended June 30, 2019: 3.00% - 13.60% per annum).

7. INVESTMENTS

Note	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
(Rupees in '000)								
Investments by category								
At fair value through profit or loss								
Listed equity securities	133,910	-	-	133,910	111,997	-	-	111,997
Term finance certificates and sukuk bonds	-	11,610	-	11,610	-	23,339	-	23,339
	<u>133,910</u>	<u>11,610</u>	<u>-</u>	<u>145,520</u>	<u>111,997</u>	<u>23,339</u>	<u>-</u>	<u>135,336</u>
At amortised Cost								
Commercial papers	-	-	2,441	2,441	-	1,994	3,975	5,969
	<u>133,910</u>	<u>11,610</u>	<u>2,441</u>	<u>147,961</u>	<u>111,997</u>	<u>25,333</u>	<u>3,975</u>	<u>141,305</u>

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

Held by Equity Sub-Fund

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

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Cost of holdings as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of total investments of the sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	Number of shares				(Rupees in '000)			%		
Automobile Parts & Accessories										
Thal Limited (Rs. 5 each)	13,050	5,000	-	6,100	11,950	3,951	4,042	3.02	2.61	0.01
	<u>13,050</u>	<u>5,000</u>	<u>-</u>	<u>6,100</u>	<u>11,950</u>	<u>3,951</u>	<u>4,042</u>	<u>3.02</u>	<u>2.61</u>	<u>0.01</u>
Cement										
Lucky Cement Limited	11,300	8,800	-	4,000	16,100	6,166	6,897	5.15	4.45	0.00
Kohat Cement Company Limited	23,600	2,500	-	9,000	17,100	905	1,324	0.99	0.85	0.01
Maple Leaf Cement Factory Limited	-	55,000	-	55,000	-	-	-	-	-	-
	<u>34,900</u>	<u>66,300</u>	<u>-</u>	<u>68,000</u>	<u>33,200</u>	<u>7,071</u>	<u>8,221</u>	<u>6.14</u>	<u>5.30</u>	<u>0.01</u>
Chemical										
Engro Polymer & Chemicals Limited	138,885	66,000	-	41,500	163,385	4,409	5,426	4.05	3.50	0.02
Sitara Chemical Industries Limited	5,700	-	-	-	5,700	1,743	1,701	1.27	1.10	0.03
Lotte Chemical Pakistan Limited	-	77,000	-	77,000	-	-	-	-	-	-
ICI Pakistan Limited	-	2,500	-	-	2,500	1,238	1,687	1.26	1.09	0.00
	<u>144,585</u>	<u>145,500</u>	<u>-</u>	<u>118,500</u>	<u>171,585</u>	<u>7,390</u>	<u>8,814</u>	<u>6.58</u>	<u>5.69</u>	<u>0.05</u>
Commercial Banks										
Meezan Bank Limited	57,505	29,500	-	19,500	67,505	5,643	6,422	4.80	4.14	0.01
	<u>57,505</u>	<u>29,500</u>	<u>-</u>	<u>19,500</u>	<u>67,505</u>	<u>5,643</u>	<u>6,422</u>	<u>4.80</u>	<u>4.14</u>	<u>0.01</u>
Engineering										
International Steels Limited	-	43,500	-	31,500	12,000	738	695	0.52	0.45	0.00
	<u>-</u>	<u>43,500</u>	<u>-</u>	<u>31,500</u>	<u>12,000</u>	<u>738</u>	<u>695</u>	<u>0.52</u>	<u>0.45</u>	<u>0.00</u>

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Bonus / Rights issue	Sales during the period	As at December 31, 2019	Cost of holdings as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of total investments of the sub-fund	Market value as a percentage of net assets of sub-fund	Par value as a percentage of issued capital of the investee company
	-----Number of shares-----				----- (Rupees in '000) -----			-----%-----		
Fertilizer										
Engro Corporation Limited	30,890	13,100	-	4,300	39,690	10,514	13,703	10.23	8.84	0.01
Engro Fertilizers Limited	95,700	23,500	-	53,000	66,200	4,281	4,861	3.63	3.14	0.00
Fauji Fertilizer Company Limited	27,500	56,500	-	43,500	40,500	3,910	4,110	3.07	2.65	0.00
	154,090	93,100	-	100,800	146,390	18,705	22,674	16.93	14.63	0.01
Glass and Ceramics										
Tariq Glass Limited	-	19,500	-	19,500	-	-	-	-	-	-
	-	19,500	-	19,500	-	-	-	-	-	-
Investment Company										
Dawood Hercules Corporation Limited	22,300	-	-	22,300	-	-	-	-	-	-
	22,300	-	-	22,300	-	-	-	-	-	-
Leather and Tanneries										
BATA Pakistan	260	1,500	-	720	1,040	1,248	2,073	1.55	1.34	0.01
	260	1,500	-	720	1,040	1,248	2,073	1.55	1.34	0.01
Oil and Gas Exploration Companies										
Oil & Gas Development Company Limited	81,900	45,000	-	31,700	95,200	12,175	13,549	10.09	8.74	0.00
Pakistan Petroleum Limited	68,600	58,700	16,900	46,100	98,100	11,235	13,453	10.05	8.68	0.00
Mari Petroleum Company Limited	9,300	1,060	986	3,600	7,746	6,984	10,148	7.58	6.55	0.01
Pakistan Oilfields Limited	15,400	3,600	-	5,200	13,800	5,567	6,165	4.60	3.98	0.00
	175,200	108,360	17,886	86,600	214,846	35,961	43,315	32.32	27.95	0.01
Oil and Gas Marketing Companies										
Pakistan State Oil Company Limited***	33,736	73,500	6,187	84,600	28,823	3,765	5,524	4.13	3.57	0.01
Sui Northern Gas Pipelines Limited	52,200	5,500	-	5,000	52,700	3,689	4,014	3.00	2.59	0.01
	85,936	79,000	6,187	89,600	81,523	7,454	9,538	7.13	6.16	0.02
Paper and Board										
Security Papers Limited	18,000	-	-	18,000	-	-	-	-	-	-
	18,000	-	-	18,000	-	-	-	-	-	-
Pharmaceuticals										
AGP Limited	19,375	1,500	-	6,500	14,375	999	1,428	1.07	0.92	0.01
The Searl Company Limited***	8,011	2,500	-	3,100	7,411	1,137	1,399	1.04	0.90	0.00
Highnoon Laboratories Limited	5,830	2,500	-	3,500	4,830	1,786	2,595	1.94	1.67	0.02
Abbott Laboratories Pakistan Limited	-	3,500	-	3,500	-	-	-	-	-	-
	33,216	10,000	-	16,600	26,616	3,922	5,422	4.05	3.49	0.03
Power Generation and Distribution										
Hub Power Company Limited	126,731	27,700	-	50,500	103,931	8,048	9,702	7.25	6.26	0.01
K-Electric Limited (Rs. 3.5 each)	548,500	400,000	-	190,000	758,500	3,195	3,314	2.47	2.14	0.00
	675,231	427,700	-	240,500	862,431	11,243	13,016	9.72	8.40	0.01
Textile Composite										
Nishat Mills Limited	32,500	45,500	-	39,300	38,700	3,094	4,107	3.08	2.65	0.01
Interloop Limited	71,945	23,000	-	37,000	57,945	2,565	3,364	2.51	2.17	0.01
	104,445	68,500	-	76,300	96,645	5,659	7,471	5.59	4.82	0.02
Transport										
Pakistan National Shipping Corporation	27,000	-	-	3,500	23,500	1,500	2,207	1.65	1.42	0.02
	27,000	-	-	3,500	23,500	1,500	2,207	1.65	1.42	0.02
	1,545,718	1,097,460	24,073	918,020	1,749,231	110,485	133,910	100.00	86.40	0.21

*** This includes gross bonus shares as per Fund's entitlement declared by the investee company. Previously due to amendments brought by the Finance Act, 2014 in the Income Tax Ordinance, 2001, the bonus shares received by the shareholder were to be treated as income and a tax at the rate of 5 percent was to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax was to be collected at source by the investee company which was considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in Income Tax Ordinance, 2001 with reference to tax on bonus shares for collective investment schemes as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has already withheld the shares (from Tax Year 2014 to Tax Year 2018) equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 0.0986 million at December 31, 2019 (June 30, 2019: Rs. 0.075 million) and not yet deposited on CDC account of department of Income tax while during the period no tax on bonus shares is being withheld by the investee company(s) due to the amendments brought by the Finance Act, 2018 in the Income Tax Ordinance, 2001 which excluded the the requirement of tax on bonus shares. Management is of the view that the decision will be in favor of the asset management company and accordingly has recorded the bonus shares on gross basis at fair value in its investments at period end.

7.2 Term Finance Certificates and Sukuk bonds - At fair value through profit or loss

7.2.1 Held by Debt Sub-Fund

Name of the Investee Company	As at July 1, 2019	Purchases during the period	Sales / Matured during the period	As at December 31, 2019	Amortised Cost as at December 31, 2019	Market value as at December 31, 2019	Market value as a percentage of	
	-----Number of certificates-----				----- (Rupees in '000) -----		Total Investments	Net Assets
Fertilizers							----- % -----	
Engro Fertilizer Limited	900	-	900	-	-	-	-	-
Fatima Fertilizers Company Limited	357	-	-	357	714	720	6.20	1.12
	<u>1,257</u>	<u>-</u>	<u>900</u>	<u>357</u>	<u>714</u>	<u>720</u>	<u>6.20</u>	<u>1.12</u>
Investment Company								
Dawood Hercules Corporation Limited Sukuk	30	-	-	30	2,400	2,394	20.63	3.71
	<u>30</u>	<u>-</u>	<u>-</u>	<u>30</u>	<u>2,400</u>	<u>2,394</u>	<u>20.63</u>	<u>3.71</u>
Multitiilities								
Water and Power Development Authority	474	-	-	474	677	700	6.03	1.09
K-Electric Limited	1,550	-	-	1,550	3,875	3,898	33.57	6.05
Hub Power Company Limited	1,600	-	1,600	-	-	-	-	-
	<u>3,624</u>	<u>-</u>	<u>1,600</u>	<u>2,024</u>	<u>4,552</u>	<u>4,598</u>	<u>39.60</u>	<u>7.14</u>
Pharmaceuticals								
AGP Limited	24	-	-	24	1,200	1,209	10.41	1.88
	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>1,200</u>	<u>1,209</u>	<u>10.41</u>	<u>1.88</u>
Miscellaneous								
International Brands Limited Sukuk	20	-	-	20	1,706	1,689	14.55	2.62
Agha Steel Industries Limited Sukuk	2	-	1	1	1,000	1,000	8.61	1.55
	<u>22</u>	<u>-</u>	<u>1</u>	<u>21</u>	<u>2,706</u>	<u>2,689</u>	<u>23.16</u>	<u>4.17</u>
Total	<u>4,957</u>	<u>-</u>	<u>2,501</u>	<u>2,456</u>	<u>11,572</u>	<u>11,610</u>	<u>100.00</u>	<u>18.02</u>

7.2.1.1 Significant terms and conditions of Term Finance Certificates and Sukuk bonds outstanding as at December 31, 2019 are as follows:

Name of security	Remaining principal (Rupees per TFC)	Mark-up rate (per annum)	Issue date	Maturity date
Agha Steel Industries Limited Sukuk	1,000,000	3 months KIBOR + 0.8%	09-Oct-18	09-Oct-24
AGP Limited	50,000	3 months KIBOR + 1.30%	09-Jun-17	09-Jun-22
Dawood Hercules Corporation Limited Sukuk	80,000	3 months KIBOR + 1%	16-Nov-17	16-Nov-22
Fatima Fertilizers Company Limited	2,000	6 months KIBOR + 1.1%	28-Nov-16	28-Nov-21
International Brands Limited Sukuk	85,298	3 months KIBOR + 0.5%	15-Nov-17	15-Nov-21
K-Electric Limited	2,500	3 months KIBOR + 1%	17-Jun-15	17-Jun-22
Water and Power Development Authority	1,429	6 months KIBOR + 1%	14-Oct-13	14-Oct-21

7.3 Commercial Papers - at amortised cost

7.3.1 Held by Debt Sub-Fund

Name of Company	Maturity Date	As at July 1, 2019	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Market Value as a	
							Percentage of total value of investments	Percentage of Net Assets
							----- (Rupees in '000) -----	
Hascal Petroleum Limited	July 15, 2019	1,994	-	9	2,003	-	-	-
		<u>1,994</u>	<u>-</u>	<u>9</u>	<u>2,003</u>	<u>-</u>	<u>-</u>	<u>-</u>

7.3.2 Held by Money Market Sub-Fund

Name of Company	Maturity Date <i>Note</i>	As at July 1, 2019	Placements made during the period	Income Accrued	Matured during the period	As at December 31, 2019	Market Value as a % of	
							Percentage of total value of investments	Percentage of Net Assets
							------(Rupees in '000)-----%	
Hascol Petroleum Limited	July 15, 2019	3,975	-	18	3,993	-	-	-
K-Electric Limited	7.3.2.1 February 28, 2020	-	2,320	121	-	2,441	100.00	4.95
		<u>3,975</u>	<u>2,320</u>	<u>139</u>	<u>3,993</u>	<u>2,441</u>	<u>100.00</u>	<u>4.95</u>

7.3.2.1 The commercial paper has been placed at discount at a rate of 15.51% and is being amortised over a period of 184 days.

8. DIVIDEND AND PROFIT RECEIVABLE

	December 31, 2019				June 30, 2019			
	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	7	-	-	7	96	-	-	96
Profit receivable on bank deposits	48	505	398	951	73	483	438	994
Profit accrued on sukuk bonds	-	152	-	152	-	460	-	460
Profit accrued on term deposit receipts	-	-	-	-	-	-	215	215
	<u>55</u>	<u>657</u>	<u>398</u>	<u>1,110</u>	<u>169</u>	<u>943</u>	<u>653</u>	<u>1,765</u>

9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	December 31, 2019				June 30, 2019			
	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	100	100	100	300	100	100	100	300
Advance against Initial Public Offer (IPO) of Sukuks	14,427	-	-	14,427	402	-	-	402
Other Receivable	95	60	33	188	93	60	33	186
	<u>14,622</u>	<u>160</u>	<u>133</u>	<u>14,915</u>	<u>595</u>	<u>160</u>	<u>133</u>	<u>888</u>

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

	<i>Note</i>	December 31, 2019				June 30, 2019			
		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)-----									
Management fee	10.1	195	82	62	339	153	90	67	310
Sindh Sales Tax	10.2	25	11	8	44	20	12	9	41
Sales load payable		1	1	-	2	34	14	14	62
		<u>221</u>	<u>94</u>	<u>70</u>	<u>385</u>	<u>207</u>	<u>116</u>	<u>90</u>	<u>413</u>

11. PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE

	<i>Note</i>	December 31, 2019				June 30, 2019			
		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)-----									
Trustee remuneration		20	8	6	34	15	9	7	31
Sindh Sales Tax on Trustee remuneration	11.1	2	1	1	4	2	1	1	4
		<u>22</u>	<u>9</u>	<u>7</u>	<u>38</u>	<u>17</u>	<u>10</u>	<u>8</u>	<u>35</u>

11.1 The Sindh Government has levied Sindh Sales Tax at the rate of 13% (June 30, 2019: 13%) on the remuneration of the Trustee through Sindh Sales Tax Act, 2011 effective from July 01, 2017.

12. PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

This represents annual fee payable to SECP in accordance with the rule 36 of the VPS Rules whereby the Fund is required to pay SECP an amount equal to one thirtieth of 1% of average annual net asset value of the pension fund.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

Note	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Rupees in '000)							
Auditors' remuneration	78	41	33	152	142	56	38	236
Payable against purchase of investments	-	-	-	-	12	-	-	12
Federal Excise Duty	879	488	383	1,750	879	488	383	1,750
Provision for Sindh Workers' Welfare Fund	2,598	262	191	3,051	1,952	195	145	2,292
Payable against redemption of units	2	73	84	159	1	113	269	383
Other payable	632	1	1	634	504	3	3	510
	<u>4,189</u>	<u>865</u>	<u>692</u>	<u>5,746</u>	<u>3,490</u>	<u>855</u>	<u>838</u>	<u>5,183</u>

13.1 The legal status of applicability of Federal Excise Duty on the Fund is the same as that disclosed in note 13.2 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

In view of the above, the Management Company, being prudent, is carrying provision for FED for the period from January 13, 2013 to June 30, 2019 aggregating Rs. 0.879 million, 0.488 million and 0.383 million (June 30, 2019: Rs. 0.879 million, Rs. 0.488 million and Rs. 0.383 million), for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not been made, the Net Assets Value per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund as at December 31, 2019 would have been higher by Rs. 2.27, Rs. 1.20 and Rs. 1.21 (June 30, 2019: Rs. 2.34 Rs. 1.02 and Rs. 1.07) per unit respectively.

14. CONTRIBUTION TABLE

Contributions received during the period are as follows:

	Half year ended December 31, 2019							
	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)
From:								
Individuals	42,436	13,923	139,131	21,627	52,268	7,912	233,835	43,462
	<u>42,436</u>	<u>13,923</u>	<u>139,131</u>	<u>21,627</u>	<u>52,268</u>	<u>7,912</u>	<u>233,835</u>	<u>43,462</u>
	Half year ended December 31, 2018							
	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)
From:								
Individuals	122,836	47,625	205,552	29,485	238,342	33,951	566,730	111,061
	<u>122,836</u>	<u>47,625</u>	<u>205,552</u>	<u>29,485</u>	<u>238,342</u>	<u>33,951</u>	<u>566,730</u>	<u>111,061</u>

15. NUMBER OF UNITS IN ISSUE

	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
	(Number)							
Opening units in issue	376,403	476,820	357,964	1,211,187	442,737	717,333	598,657	1,758,727
Units issued during the period	42,436	139,131	52,268	233,835	212,044	352,265	328,547	892,856
Units redeemed during the period	(60,470)	(171,745)	(78,788)	(311,003)	(287,138)	(575,625)	(563,942)	(1,426,705)
Reallocation during the period	29,225	(40,419)	(14,055)	(25,249)	8,760	(17,153)	(5,298)	(13,691)
Total units in issue at the end of the period	<u>387,594</u>	<u>403,787</u>	<u>317,389</u>	<u>1,108,770</u>	<u>376,403</u>	<u>476,820</u>	<u>357,964</u>	<u>1,211,187</u>

16. PROVISION FOR WORKERS' WELFARE FUND

The legal status of applicability of Worker's Welfare Fund (WWF) and Sindh Workers' Welfare Fund (SWWF) is same as that disclosed in note 20 to the annual audited financial statements of the Fund for the year ended June 30, 2019.

The Fund has recognised provision for SWWF in these financial statements amounting to Rs. 0.645 million, Rs. 0.068 million and Rs. 0.046 million for Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund respectively. Had the provision not being made, the net asset value per unit as at December 31, 2019 would have been higher by Rs. 1.63 (June 30, 2019: Rs. 0.43) per unit. Had the SWWF not been provided, the NAV per unit of the Equity Sub-Fund, Debt Sub-Fund and Money Market Sub-Fund would have been higher by Rs. 6.71, Rs. 0.64 and Rs. 0.61 (30 June 2019: Rs. 5.19, Rs. 0.41 and Rs. 0.41) per unit respectively.

17. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments outstanding as at December 31, 2019 and June 30, 2019 except those disclosed already.

18. 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 managed by the Management Company, directors and officers of the Management Company. Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Remuneration payable to Pension Fund Manager and Trustee is determined in accordance with the provisions of the Voluntary Pension System Rules 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:

18.1 Transactions during the period

	Half year ended December 31, 2019				Half year ended December 31, 2018			
	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	1,109	606	450	2,165	1,593	888	735	3,216
Habib Bank Limited - Sponsor								
Bank charges paid	18	14	9	41	12	9	6	27
Profit on bank deposits earned	157	535	405	1,097	221	45	62	328
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Issue of units	Number 9,698	6,406	6,575	22,679	1,853	4,171	1,058	7,082
Amount of units issued	3,000	1,000	1,000	5,000	750	600	150	1,500
Reallocation of units	Number 3,663	(4,631)	(2,207)	(3,175)	2,988	(5,356)	(2,349)	(4,717)
Amount of Units Reallocated	1,048	(715)	(333)	-	1,088	(760)	(328)	-
Executives and their relatives								
Issuance of units	Number 2	1	-	3	-	-	5	5
Amount of units issued	1	-	-	1	-	-	1	1
Redemption of Units	12,506	-	-	12,506	-	-	-	-
Amount of units redeemed	4,617	-	-	4,617	-	-	-	-
Reallocation of units	Number 5,840	(11,621)	-	(5,781)	1,317	(3,617)	-	(2,300)
Amount of units reallocated	1,885	(1,885)	-	-	513	(513)	-	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration	111	61	45	217	160	89	74	323
Central Depository System Charges	7	3	3	13	7	3	3	13
Directors of connected persons								
Reallocation of units	Number 517	(294)	(680)	(457)	(146)	(1,500)	(5,723)	(7,369)
Amount of units reallocated	148	(45)	(102)	1	(57)	(215)	(810)	(1,082)
Redemption of units	Number 189	1,469	5,642	7,300	334	(120)	(749)	(535)
Amount of units redeemed	63	230	861	1,154	122	(17)	(105)	-

18.2 Balances outstanding as at period end

	December 31, 2019				June 30, 2019			
	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total	Equity Sub-Fund	Debt Sub-Fund	Money Market Sub-Fund	Total
HBL Asset Management Limited - Pension Fund Manager								
Management fee payable	195	82	62	339	153	90	67	310
Sindh Sales tax Payable	25	11	8	44	20	12	9	41
Sales load payable	-	-	-	-	34	14	14	62
Federal Excise Duty payable	879	488	383	1,750	879	488	383	1,750
Habib Bank Limited - Sponsor								
Units held	Number	128,334	-	-	128,334	-	-	128,334
Amount of units held		51,302	-	-	51,302	-	-	51,558
Profit receivable on bank deposits		23	148	106	277	370	453	1,274
Bank balances		5,341	13,191	9,812	28,344	6,660	14,309	20,718
Directors and Executives of the Pension Fund Manager and their relatives								
Directors and their relatives								
Units held	Number	19,667	36,424	18,677	74,768	45,629	65,886	46,076
Amount of units held		7,862	5,815	2,902	16,579	14,776	10,031	6,854
Executives and their relatives								
Units held	Number	21,324	34,042	5	55,371	13,155	8,685	5
Amount of units held		8,524	5,435	1	13,960	4,260	1,322	1
Executives of the Habib Bank Limited - Sponsor and their relatives								
Units Held	Number	-	-	-	-	14,833	36,977	-
Amount of Units held		-	-	-	-	4,803	5,630	-
Central Depository Company of Pakistan Limited - Trustee								
Remuneration payable		22	9	7	43	17	10	8
Security deposit receivable		100	100	100	300	100	100	300
Directors of connected persons								
Units held	Number	1,798	13,321	51,230	66,349	1,470	15,084	57,551
Amount of units held		719	2,127	7,960	10,806	476	2,126	8,560

19. 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 in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

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.

According to the amendments to IFRS 7, Financial Instruments: Disclosure - Improving disclosures about financial instruments, an entity shall classify 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:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of traded investments is based on quoted market prices, and have been disclosed in note 7.

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

		Held by Equity sub-fund							
		December 31, 2019					Fair Value		
Note	Mandatorily at fair value through profit or loss	Carrying Amount			Total	Level 1	Level 2	Level 3	Total
		Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost					
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	- Listed equity securities	133,910	-	-	-	133,910	-	-	133,910
		133,910	-	-	-	133,910	-	-	133,910
Financial assets not measured at fair value									
18.1	- Bank balances	-	-	-	10,809	-	-	-	10,809
	- Dividend receivable and accrued mark-up	-	-	-	55	-	-	-	55
	- Advances, deposits, prepayments and other receivables	-	-	-	14,622	-	-	-	14,622
		-	-	-	25,486	-	-	-	25,486
		133,910	-	-	25,486	-	-	-	159,396
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	-	221	-	-	-	221
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	22	-	-	-	22
	- Accrued expenses and other liabilities	-	-	-	712	-	-	-	712
		-	-	-	955	-	-	-	955
(Rupees in '000)									
		Held by Equity sub-fund							
		June 30, 2019					Fair Value		
Note	Mandatorily at fair value through profit or loss	Carrying Amount			Total	Level 1	Level 2	Level 3	Total
		Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost					
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	- Listed equity securities	111,997	-	-	-	111,997	-	-	111,997
		111,997	-	-	-	111,997	-	-	111,997
Financial assets not measured at fair value									
18.1	- Bank balances	-	-	-	12,902	-	-	-	12,902
	- Dividend receivable and accrued mark-up	-	-	-	169	-	-	-	169
	- Advances, deposits, prepayments and other receivables	-	-	-	595	-	-	-	595
		-	-	-	13,666	-	-	-	13,666
		111,997	-	-	13,666	-	-	-	125,663
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	-	207	-	-	-	207
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	17	-	-	-	17
	- Accrued expenses and other liabilities	-	-	-	659	-	-	-	659
		-	-	-	883	-	-	-	883
(Rupees in '000)									
		Held by Debt sub-fund							
		December 31, 2019					Fair Value		
Note	Mandatorily at fair value through profit or loss	Carrying Amount			Total	Level 1	Level 2	Level 3	Total
		Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost					
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	- Term Finance Certificates and Sukuk Bonds - Unlisted	11,610	-	-	-	-	11,610	-	11,610
		11,610	-	-	-	-	11,610	-	11,610
Financial assets not measured at fair value									
18.1	- Bank balances	-	-	-	53,020	-	-	-	53,020
	- Dividend receivable and accrued mark-up	-	-	-	657	-	-	-	657
	- Other receivables	-	-	-	160	-	-	-	160
		-	-	-	53,837	-	-	-	53,837
		11,610	-	-	53,837	-	-	-	65,447
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	-	94	-	-	-	94
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	9	-	-	-	9
	- Accrued expenses and other liabilities	-	-	-	115	-	-	-	115
		-	-	-	218	-	-	-	218
(Rupees in '000)									
		Held by Debt sub-fund							
		June 30, 2019					Fair Value		
Note	Mandatorily at fair value through profit or loss	Carrying Amount			Total	Level 1	Level 2	Level 3	Total
		Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost					
(Rupees in '000)									
On-balance sheet financial instruments									
Financial assets measured at fair value									
	- Term Finance Certificates and Sukuk Bonds - Unlisted	23,339	-	-	-	-	23,339	-	23,339
		23,339	-	-	-	-	23,339	-	23,339
Financial assets not measured at fair value									
18.1	- Bank balances	-	-	-	47,175	-	-	-	47,175
	- Dividend receivable and accrued mark-up	-	-	-	943	-	-	-	943
	- Term deposits receipts (TDRs)	-	-	-	-	-	-	-	-
	- Advances, deposits, prepayments and other receivables	-	-	-	160	-	-	-	160
	- Commercial Paper	-	-	-	1,994	-	-	-	1,994
		-	-	-	50,272	-	-	-	50,272
		23,339	-	-	50,272	-	-	-	73,611
Financial liabilities not measured at fair value									
18.1	- Payable to the Pension Fund Manager	-	-	-	116	-	-	-	116
	- Payable to Central Depository Company of Pakistan Limited - Trustee	-	-	-	10	-	-	-	10
	- Accrued expenses and other liabilities	-	-	-	172	-	-	-	172
		-	-	-	298	-	-	-	298
(Rupees in '000)									

Held by Money Market sub-fund										
December 31, 2019										
On-balance sheet financial instruments	Note	Carrying Amount				Fair Value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets not measured at fair value	18.1	-	-	-	47,124	47,124				
- Bank balances		-	-	-	47,124	47,124				
- Dividend receivable and accrued mark-up		-	-	-	398	398				
- Advances, deposits, prepayments and other receivables		-	-	-	133	133				
- Commercial Paper		-	-	-	2,441	2,441				
		-	-	-	50,096	50,096				
Financial liabilities not measured at fair value	18.1	-	-	-	70	70				
- Payable to the Pension Fund Manager		-	-	-	70	70				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	7	7				
- Accrued expenses and other liabilities		-	-	-	118	118				
		-	-	-	195	195				
(Rupees in '000)										
Held by Money Market sub-fund										
June 30, 2019										
On-balance sheet financial instruments	Note	Carrying Amount				Fair Value				
		Mandatorily at fair value through profit or loss	Designated as at fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)										
Financial assets not measured at fair value	18.1	-	-	-	39,344	39,344				
- Bank balances		-	-	-	39,344	39,344				
- Term deposits receipts (TDRs)		-	-	-	10,100	10,100				
- Commercial Paper		-	-	-	3,975	3,975				
- Dividend receivable and accrued mark-up		-	-	-	653	653				
- Advances, deposits, prepayments and other receivables		-	-	-	133	133				
		-	-	-	54,205	54,205				
Financial liabilities not measured at fair value	18.1	-	-	-	90	90				
- Payable to the Pension Fund Manager		-	-	-	90	90				
- Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	8	8				
- Accrued expenses and other liabilities		-	-	-	310	310				
		-	-	-	408	408				

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

19.2 Net assets attributable to unitholders. The Fund routinely redeems and issues the units at the amount equal to the proportionate share of net assets of the Fund at the time of redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to unitholders approximates their fair value. The units are categorized into Level 2 of the fair value hierarchy.

20. NON COMPLIANT INVESTMENTS DISCLOSURE

20.1 Held by Debt Sub-Fund

Instruments / Banker	Type of investment / exposure	Rating of the Issuer	Rating of the instrument	Value of investment / exposure	Limit as a percentage of net assets	Exposure as a percentage of net assets
				(Rupees in '000)	----- (%) -----	
International Brands Limited	Sukuk	A	AA	1,684	2.50	2.61
Habib Bank Limited	Bank Balance	AAA	Not applicable	13,191	10.00	20.46

20.2 Held by Money Market Sub-Fund

Instruments / Banker	Type of investment / exposure	Rating of the Issuer	Rating of the instrument	Value of investment / exposure	Limit as a percentage of net assets	Exposure as a percentage of net assets
				(Rupees in '000)	----- (%) -----	
Bank Islami Pakistan Limited	Bank Balance	A+	Not applicable	9,881	20.00	20.04

20.3 These are the non compliances with respect to investments policy and restrictions as mentioned in the offering document of the fund.

21. CORRESPONDING FIGURES

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

22. DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial information was authorised for issue by the Board of Directors of the Pension Fund Manager on February 13, 2020.

23. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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

Chief Financial Officer

Chief Executive Officer

Director



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HBL

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