HBL ASSET MANAGEMENT LTD.
ایسیٹ مینجمنٹ لمیٹڈ

AMC Rating : AM1 by VIS

ANNUAL REPORT 2026

For the Period ended June 30, 2026

MOVING TOWARDS EXCELLENCE

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OUR VISION

Enabling people to advance with confidence and success.

OUR MISSION

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

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

CORPORATE INFORMATION

Corporate Information

Management Company

HBL Asset Management Limited

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

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

Audit Committee

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

Human Resource & Remuneration Committee

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

Risk Management Committee

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

Technology Committee

Chairman	Mr. Abrar Ahmed Mir	(Non-Executive Director)
Members	Dr. Sahar Awan	(Independent Director)

Company Secretary & Chief Financial Officer	Mr. Noman Qurban
AMC Rating	AM1 (Stable Outlook)
Legal Advisor	Bawany & Partners, Lane 13, D.H.A Phase 6, Bukhari Commercial Area, Defense Housing Authority, Karachi.
Website	www.hblasset.com
Head Office & Registered Office	7th Floor, Emerald Tower, G-19, Block-5, Main Clifton Road, Clifton, Karachi.

REPORT OF THE DIRECTORS OF THE MANAGEMENT COMPANY

The Board of Directors of HBL Asset Management Limited is pleased to present its report together with Financial Statements of **HBL Income Fund, HBL Government Securities Fund, HBL Money Market Fund, HBL Cash Fund, HBL Stock Fund, HBL Equity Fund, HBL Energy Fund, HBL Multi Asset Fund, HBL Growth Fund, HBL Investment Fund, HBL Financial Sector Income Fund, HBL Mehfooz Munafa Fund, HBL Regular Income Fund and HBL Total Treasury Exchange Traded Fund** (the Funds) for the year ended June 30, 2026.

ECONOMIC REVIEW

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

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

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

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

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

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

STOCK MARKET REVIEW

During the period under review, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). It is also noteworthy that the KSE-100 delivered strong performance, reflecting improved investor sentiment and reaffirming equities as a preferred investment avenue amid improving macroeconomic conditions.

Positive sentiment and improved investor confidence were reflected in a significant improvement in market turnover, as the average daily trading volume of the KSE All-Share Index rose to 911 million shares during the period under review, representing a 44% increase compared to 633 million shares in the same period last year. Similarly, the average daily traded value surged by 51% to PKR 42.5 billion, up from PKR 28.15 billion in the corresponding period last year. Foreign investors however, remained net sellers, with a net sale of USD 849 million. Domestically, companies were the main buyers in the market with net buying of USD 2,014 million, followed by Individuals and NBFC with a net buying of USD329 million, and USD 4 million respectively. On the other hand, Banks, Mutual funds, and Insurance were major sellers with a combined sale of USD 1,449 million.

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

MONEY MARKET REVIEW

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

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

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

FUND'S PERFORMANCE AND PAYOUTS

HBL Income Fund

The total income and net income of the Fund was Rs. 629.78 million and Rs. 542.25 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 113.6405 per unit as on June 30, 2026 (after incorporating dividend of Rs. 10.45 per unit) as compared to Rs. 113.2781 per unit as on June 30, 2025 thereby giving an annualized return of 9.57%. During the period the benchmark (75% 6 Month KIBOR and 25% 6 Month Deposit rates) return was 10.61%. The size of Fund was Rs. 8.21 billion as on June 30, 2026 as compared to Rs. 13.16 billion at the start of the year.

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

HBL Government Securities Fund

The total income and net income of the Fund was Rs. 587.57 million and Rs. 509.29 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 114.5874 per unit as on June 30, 2026 (after incorporating dividend of Rs. 11.35 per unit) as compared to Rs. 114.0631 per unit as on June 30, 2025, thereby giving an annualized return of 10.46%. During the same period the benchmark (90% 6 Month KIBOR and 10% 6 Month Deposit rates) return was 10.82%. The size of Fund was Rs. 3.74 billion as on June 30, 2026 as compared to Rs. 4.93 billion at the start of the year.

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

HBL Money Market Fund

The total income and net income of the Fund was Rs. 3.84 billion and Rs. 3.27 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.9148 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.65 per unit) as compared to Rs. 103.6024 per unit as on June 30, 2025, thereby giving an annualized return of 9.64%. During the period the benchmark (90% 3M PKRV & 10% 3M deposit rates) return was 10.73%. The size of Fund was Rs. 46.78 billion as on June 30, 2026 as compared to Rs.28.52 billion at the start of the year.

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

HBL Cash Fund

The total income and net income of the Fund was Rs. 9.21 billion and Rs. 8.31 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs 103.7224 per unit as on June 30, 2026 (after incorporating dividend of Rs. 10.15 per unit) as compared to Rs 103.3525 per unit as on June 30, 2025, thereby giving an annualized return of 10.20%. During the period the benchmark (90% 3M PKRV & 10% 3M deposit rates) return was 10.73%. The size of Fund was Rs 77.19 billion as on June 30, 2026 as compared to Rs. 120.57 billion at the start of the year.

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

HBL Stock Fund

The total and net income of the Fund was Rs. 493.48 million and Rs. 366.76 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs 227.5969 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.25 per unit) as compared to Rs 170.4469 per unit as on June 30, 2025, thereby giving a return of 33.67%. During the same period the benchmark KSE 30 index yielded a return of 49.38%. The size of Fund was Rs 2.75 billion as on June 30, 2026 as compared to Rs. 0.75 billion at the start of the year.

HBL Equity Fund

The total and net income of the Fund was Rs. 371.04 million and Rs. 290.51 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 233.4307 per unit as on June 30, 2026 as compared to Rs. 186.4654 per unit as on June 30, 2025, thereby giving a return of 25.19%. During the period the benchmark KSE 100 index yielded a return of 49.38%. The size of Fund was Rs. 1.36 billion as on June 30, 2026 as compared to Rs. 0.87 billion at the start of the year.

HBL Energy Fund

The total and net income of the Fund was Rs. 635.62 million and Rs. 525.49 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 34.7606 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.50 per unit) as compared to Rs. 26.7616 per unit as on June 30, 2025, thereby giving a return of 31.73%. During the same period the benchmark KSE 30 index yielded a return of 49.38%. The size of Fund was Rs. 2.22 billion as on June 30, 2026 as compared to Rs. 1.83 billion at the start of the year.

HBL Multi Asset Fund

The total and net income of the Fund was Rs. 36.82 million and Rs. 29.87 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs 217.6533 per unit as on June 30, 2026 (after incorporating dividend of Rs. 7.25 per unit) as compared to Rs 185.6750 per unit as on June 30, 2025, thereby giving a return of 21.11%. During the same period the benchmark index (60% of benchmark for Equity CIS and 40% of benchmark for income CIS) yielded a return of 29.11%. The size of Fund was Rs 0.17 billion as on June 30, 2026 as compared to Rs. 0.15 billion at the start of the year.

HBL Growth Fund

The Fund as a whole earned a total and net income of Rs. 1.36 billion and Rs. 1.06 billion respectively during the year under review. The fund size of the fund stood at Rs. 13.61 billion as on June 30, 2026.

Performance review of each class is presented below:

HBL Growth Fund - Class 'A'

HBL Growth Fund - Class 'A' earned a total income and net income of Rs. 373.24 million and Rs. 190.39 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'A' was Rs. 39.0503 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.66 per unit) as compared to Rs. 42.2869 as at June 30, 2025, thereby giving a negative return of 6.11%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'A' was Rs. 11.07 billion as on June 30, 2026 as compared to Rs. 11.99 billion at the start of the year.

HBL Growth Fund - Class 'B'

HBL Growth Fund - Class 'B' earned a total and net income of Rs. 982.08 million and Rs. 874.38 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'B' was Rs. 44.3589 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.50 per unit) as compared to Rs. 31.5798 as at June 30, 2025, thereby giving a return of 42.01%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'B' was Rs. 2.54 billion as on June 30, 2026 as compared to Rs. 2.38 billion at the start of the year.

HBL Investment Fund

The Fund as a whole earned a total and net income of Rs. 576.04 million and Rs. 456.11 million respectively during the year under review. The fund size of the fund stood at Rs. 5.25 billion as on June 30, 2026.

Performance review of each class is presented below:

HBL Investment Fund - Class 'A'

HBL Investment Fund - Class 'A' earned a total income and net income of Rs. 131.60 million and Rs. 61.88 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'A' was Rs. 13.9907 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.21 per unit) as compared to Rs. 15.2131 as at June 30, 2025, thereby giving a negative return of 6.67%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'A' was Rs. 3.98 billion as on June 30, 2026 as compared to Rs. 4.32 billion at the start of the year.

HBL Investment Fund - Class 'B'

HBL Investment Fund - Class 'B' earned a total and net income of Rs. 444.45 million and Rs. 394.23 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'B' was Rs. 20.7215 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.18 per unit) as compared to Rs. 14.7076 as at June 30, 2025, thereby giving a return of 42.08%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'B' was Rs. 1.28 billion as on June 30, 2026 as compared to Rs. 0.93 billion at the start of the year.

HBL Financial Sector Income Fund

The Fund as a whole earned a total and net income of Rs. 5.14 billion and Rs. 4.50 billion respectively. The collective size of the Fund as at June 30, 2026 was 19.58 billion.

Performance of each plan is presented below.

HBL Financial Sector Income Fund - Plan-I

The total income and net income of the Fund was Rs. 3.92 billion and Rs. 3.32 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.6420 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.75 per unit) as compared to Rs. 102.4369 per unit as on June 30, 2025, thereby giving an annualized return of 9.73%. During the same period, the benchmark (75% 6 Month KIBOR and 25% 6 Month Deposit rates) return was 10.61%. The size of Fund was Rs. 9.61 billion as on June 30, 2026 as compared to Rs. 11.26 billion as at start of the year.

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

HBL Financial Sector Income Fund - Plan-II

The Financial Sector Income Fund Plan-II commenced its operations on February 20, 2024.
The total income and net income of the Fund was Rs. 1.22 billion and Rs. 1.18 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.4944 per unit as on June 30, 2026 (after incorporating dividends of Rs. 10.6788 per unit) thereby giving an annualized return of 11.25%. During the same period, the benchmark return (75% 6 Month KIBOR and 25% 6 Month Deposit rates) was 10.61%. The size of Fund was Rs. 9.98 billion as on June 30, 2026 as compared to 9.17 billion as at start of the year.

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

HBL Mehfooz Munafa Fund

The HBL Mehfooz Munafa Fund (the Fund) started launching its different plans from May 18, 2023 for different maturity tenures. As at June 30, 2026, the following plan exists under the Fund.

HBL Mehfooz Munafa Fund Plan-XI

The total income and net income of the plan was Rs. 625.47 million and Rs. 615.71 million respectively for the period ended June 30, 2026. The net assets as at June 30, 2026 was 8.87 billion representing NAV of Rs. 100.2092 (after incorporating dividend of Rs. 7.2335 per unit) thereby giving an annualized return of 10.93% against the benchmark return of 11.15%.

HBL Mehfooz Munafa Fund Plan-XIV

The total income and net income of the plan was Rs. 7.96 million and Rs. 7.81 million respectively for the period ended June 30, 2026. The net assets as at June 30, 2026 was 1.01 billion representing NAV of Rs. 100.0339 (after incorporating dividend of Rs. 0.7429 per unit) thereby giving an annualized return of 12.32% against the benchmark return of 12.63%.

HBL Total Treasury Exchange Traded Fund

The total income and net income of the Fund was Rs. 55.27 million and Rs. 49.84 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.4503 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.75 per unit) thereby giving an annualized return of 9.66%. During the same period, the benchmark return was 9.34%. The size of Fund was Rs. 517 million as on June 30, 2026 as compared to Rs. 516 million as at start of the year.

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

HBL Regular Income Fund

The total income and net income of the Fund was Rs. 2.56 million and Rs. 2.06 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.0000 per unit as on June 30, 2026 (after incorporating dividend of Rs. 1.3381 per unit) thereby giving an annualized return of 9.10%. During the same period, the benchmark return was 11.37%. The size of Fund was Rs. 42 million as on June 30, 2026.

MANAGEMENT COMPANY RATING

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

AUDITORS

The details of the retiring auditors and appointments for the year June 30, 2027 are provided in the following table.

S.no	Name of Fund	Retiring Auditors for the year ended June 30, 2026	Auditors for the year June 30, 2027	Re-appointment / new appointment
1	HBL Government Securities Fund	Yousuf Adil & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	new appointment
2	HBL Cash Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
3	HBL Energy Fund	Yousuf Adil & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	New appointment
4	HBL Total Treasury Exchange Traded Fund	Yousuf Adil & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	New appointment
5	HBL Equity Fund	Yousuf Adil & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	Re-appointed
6	HBL Multi Asset Fund	Yousuf Adil & Co., Chartered Accountants	A.F.Ferguson & Co., Chartered Accountants	New appointment
7	HBL Mehfooz Munafa Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
P8	HBL Financial Sector Income Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed
9	HBL Income Fund	A.F.Ferguson & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment
10	HBL Money Market Fund	A.F.Ferguson & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment
11	HBL Stock Fund	A.F.Ferguson & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment
12	HBL Growth Fund	A.F.Ferguson & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment
13	HBL Investment Fund	A.F.Ferguson & Co., Chartered Accountants	Yousuf Adil & Co., Chartered Accountants	New appointment
14	HBL Regular Income Fund	BDO Ebrahim & Co., Chartered Accountants	BDO Ebrahim & Co., Chartered Accountants	Re-appointed

PATTERN OF UNITHOLDING

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

ACKNOWLEDGEMENT

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

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

On behalf of the Board of
HBL Asset Management Limited

Chief Executive Officer

HBL

Income Fund

FUND INFORMATION

NAME OF FUND	HBL Income Fund
NAME OF AUDITOR	A.F. Ferguson & Co.
NAME OF TRUSTEE	Central Depository Company of Pakistan Limtied(CDC)
BANKERS	Habib Bank Limited Bank AI-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited JS Bank Limited Samba Bank Limited Zarai Taraqia? Bank Limited Askari Bank Limited MCB Bank Limited Soneri Bank Limited Telenor Microfinance Bank Limited U Microfinance Bank Limited HBL Microfinance Bank Limited NRSP Microfinance Bank Limited Industrial & Commercial Bank of China Limited Meezan Bank Limited Sindh Bank Limited Finca Microfinance Bank Limited Khushhali Microfinance Bank Limited
FUND RATING	A+(f) (VIS

Type and Category of Fund

Open end Income Fund

Investment Objective and Accomplishment of Objective

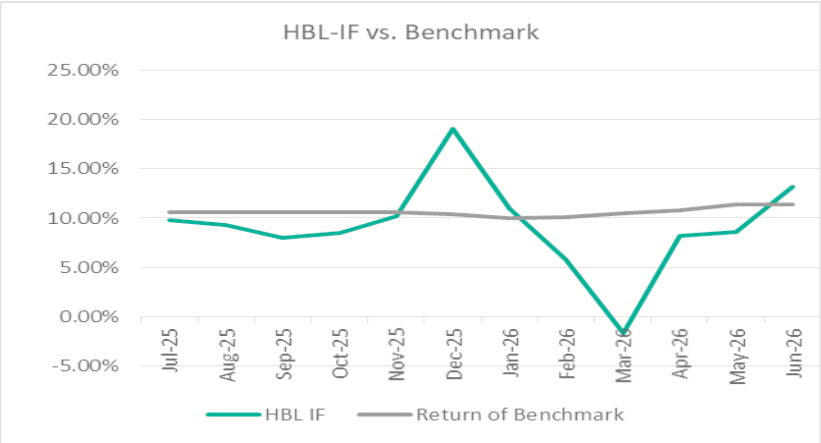
The objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

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

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

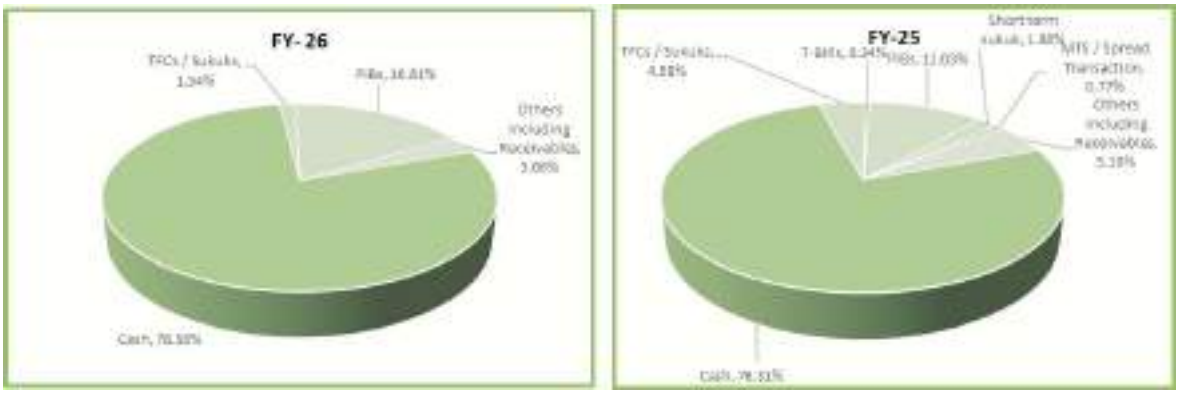
Month	HBL-IF	Benchmark
Jun-26	13.19%	11.39%
May-26	8.62%	11.36%
Apr-26	8.17%	10.80%
Mar-26	-1.69%	10.50%
Feb-26	5.83%	10.05%
Jan-26	10.97%	9.96%
Dec-25	19.08%	10.36%
Nov-25	10.20%	10.58%
Oct-25	8.49%	10.60%
Sept-25	8.05%	10.55%
Aug-25	9.30%	10.58%
Jul-25	9.79%	10.57%



Strategies and Policies employed during the Year

During the year under review, the fund size of HBL Income Fund declined to PKR 8,212 million as compared to PKR 13,162 million in June, 2025. Investments in TFCs/Sukuks and Government Guaranteed Securities were at 1.54% and 16.81% of total assets, respectively, as on June 30, 2026. Cash placements were 78.58% of total assets to take advantage of attractive bank rates.

Asset Allocation



Fund Performance

The total income and net income of the Fund was Rs. 629.78 million and Rs. 542.25 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 113.6405 per unit as on June 30, 2026 (after incorporating dividend of Rs. 10.45 per unit) as compared to Rs. 113.2781 per unit as on June 30, 2025 thereby giving an annualized return of 9.57%. During the period the benchmark (75% 6 Month KIBOR and 25% 6 Month Deposit rates) return was 10.61%. The size of Fund was Rs. 8.21 billion as on June 30, 2026 as compared to Rs. 13.16 billion at the start of the year.

Money Market Review

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

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

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

Distribution

The Fund has distributed cash dividend up-to Rs. 10.45 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

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

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	1,863	19,365
101 - 500	299	68,154
501 - 1,000	80	64,334
1,001 - 10,000	215	918,825
10,001 - 100,000	204	7,129,277
100,001 - 500,000	53	11,777,522
500,001 - 1,000,000	13	9,265,237
1,000,001 - 5,000,000	13	20,664,228
5,000,001 and above	3	22,353,433
Total	**2,743**	**72,260,375**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL INCOME FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end(Rs'000)	8,211,704	13,162,476	4,972,884	2,107,792	4,239,599	2,273,185
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	113.6405	113.2781	113.3201	112.4509	111.4310	110.5617
Offer	115.6008	115.2321	115.2409	114.3569	113.3198	112.4357
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	125.7339	132.7967	138.8704	131.5749	125.1043	117.6291
Lowest offer price per unit	115.2542	115.2321	114.3661	113.3763	112.5869	109.7430
Highest redemption price per unit	123.6018	130.5448	136.5558	129.3819	123.0191	115.6685
Lowest redemption price per unit	113.2998	113.2781	112.4599	111.4866	110.7104	107.9139
RETURN (%)						
Total return	9.57%	15.13%	22.35%	17.03%	11.43%	7.10%
Income distribution	9.23%	15.18%	21.48%	15.97%	10.63%	5.40%
Capital growth	0.34%	-0.05%	0.87%	1.06%	0.80%	1.70%
DISTRIBUTION						
First Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Second Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Third Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Final dividend distributation (Rs)	10.45	17.20	24.15	17.80	11.75	5.40
Date of Income Distribution	19-Jun-25	20-Jun-25	14-Jun-24	16-Jun-23	23-Jun-21	18-Jun-21
Total dividend distribution for the year/ period (Rs)	10.45	17.20	24.15	17.80	11.75	5.40
AVERAGE RETURNS (%)						
Average annual return 1 year	9.57%	15.13%	22.35%	17.03%	11.43%	7.10%
Average annual return 2 year	12.32%	18.69%	19.66%	14.20%	9.24%	10.15%
Average annual return 3 year	15.57%	18.13%	16.85%	11.78%	10.57%	9.70%
Weighted average portfolio during (No. of days)	64	170	514	328	192	466
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	78.58%	76.31%	48.43%	44.51%	37.28%	16.16%
TFCs	1.54%	4.58%	11.44%	19.75%	23.32%	19.65%
PIBs	16.81%	11.03%	24.53%	0.00%	0.00%	16.98%
Government Securities	0.00%	0.34%	3.31%	10.67%	7.51%	0.00%
Placement with Banks and DFIs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MTS / Spread Transaction	0.00%	0.77%	0.13%	21.12%	13.01%	38.92%
Commercial Paper	0.00%	0.00%	11.77%	0.00%	15.92%	1.47%
Others Including receivables	3.06%	6.97%	0.39%	3.95%	2.96%	6.82%

Note:

The Launch date of the Fund is March 15, 2007

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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Karachi - 74400, Pakistan
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 25
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Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INCOME FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Income Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Income Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 6,547.012 million and investments of the Fund amounted to Rs. 1,646.909 million as at June 30, 2026. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 29, 2026
UDIN: AR202610061hawAqtR6x

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

	Note	2026	2025
		--------- Rupees in '000 ---------	
ASSETS			
Bank balances	4	6,547,012	10,713,499
Investments	5	1,646,409	2,356,128
Receivable against margin trading system		-	102,263
Interest / profit accrued	6	51,584	65,108
Advance, deposits, prepayment and other receivables	7	79,260	64,410
Total assets		8,324,265	13,301,408
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	8	5,896	10,681
Payable to Central Depository Company of Pakistan Limited - Trustee	9	359	1,614
Payable to the Securities and Exchange Commission of Pakistan	10	307	349
Payable against redemption and conversion of units		31,576	-
Unclaimed dividend		3,802	3,802
Dividend payable		-	16,697
Accrued expenses and other liabilities	11	70,621	105,789
Total liabilities		112,561	138,932
NET ASSETS		8,211,704	13,162,476
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		8,211,704	13,162,476
CONTINGENCIES AND COMMITMENTS	12		
		---------- Number of units ----------	
NUMBER OF UNITS IN ISSUE	13	72,260,375	116,196,079
		---------- Rupees ----------	
NET ASSET VALUE PER UNIT	3.6	113.6405	113.2781

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	2026	2025
INCOME		-------- Rupees in '000 --------	
Income on savings accounts with banks		228,219	167,153
Income on term finance certificates and corporate sukuk certificates		40,156	148,072
Income on market treasury bills		4,407	586,640
Income on Pakistan investment bonds		387,867	287,770
Income on letter of placements		-	8,828
Mark-up on margin trading system		5,057	7,687
Other income		-	6,911
(Loss) / gain on sale of investments - net		(32,260)	70,457
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.7	(3,669)	66,596
Total income		629,777	1,350,114
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	8.1 & 8.2	74,441	197,299
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh sales tax thereon)	8.3	-	3,795
Selling and marketing expenses (including Sindh sales tax thereon)	8.4	-	3,756
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	9.1 & 9.2	5,226	7,367
Fee to the Securities and Exchange Commission of Pakistan	10.1	4,586	6,365
Settlement and bank charges		586	1,056
Securities transaction cost		1,129	203
Auditor's remuneration	15	1,056	1,022
Printing and stationery charges		-	22
Fees and subscription		500	390
Total expenses		87,524	221,275
Net income for the year before taxation		542,253	1,128,839
Taxation	17	-	-
Net income for the year after taxation		542,253	1,128,839
Allocation of net income for the year			
Net income for the year after taxation		542,253	1,128,839
Income already paid on units redeemed		(431,957)	(970,653)
		110,296	158,186
Accounting income available for distribution:			
- Relating to capital gains		-	137,053
- Excluding capital gains		110,296	21,133
		110,296	158,186

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

For HBL Asset Management Limited
(Management Company)

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

HBL INCOME FUND
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2026

	2026	2025
	-------- Rupees in '000 --------	
Net income for the year after taxation	542,253	1,128,839
Other comprehensive income for the year	-	-
Total comprehensive income for the year	542,253	1,128,839

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	Rupees in '000					
Net assets at the beginning of the year	12,944,735	217,741	13,162,476	4,739,923	232,961	4,972,884
Issuance of 111,922,541 (2025: 214,424,679) units						
- Capital value (at net asset value per unit at the beginning of the year)	12,678,373	-	12,678,373	24,298,626	-	24,298,626
- Element of income	244,910	-	244,910	904,721	-	904,721
Total proceeds on issuance of units	12,923,283	-	12,923,283	25,203,347	-	25,203,347
Redemption of 155,858,245 (2025: 142,112,113) units						
- Capital value (at net asset value per unit at the beginning of the year)	(17,655,326)	-	(17,655,326)	(16,104,159)	-	(16,104,159)
- Element of loss	(214,028)	(431,957)	(645,985)	(811,262)	(970,653)	(1,781,915)
Total payments on redemption of units	(17,869,354)	(431,957)	(18,301,311)	(16,915,421)	(970,653)	(17,886,074)
Total comprehensive income for the year	-	542,253	542,253	-	1,128,839	1,128,839
Distribution for the year ended June 30, 2026 (cash distribution @ Rs. 10.45 per unit declared on June 19, 2026)	-	(101,295)	(101,295)	-	-	-
Distribution for the year ended June 30, 2025 (cash distribution @ Rs. 17.20 per unit declared on June 20, 2025)	-	-	-	-	(173,406)	(173,406)
Refund of capital	(13,703)	-	(13,703)	(83,114)	-	(83,114)
Net assets at the end of the year	**7,984,961**	**226,742**	**8,211,704**	**12,944,735**	**217,741**	**13,162,476**
Undistributed income brought forward comprising of:						
- Realised income		151,145			230,660	
- Unrealised income		66,596			2,301	
		217,741			232,961	
Accounting income available for distribution:						
- Relating to capital gains		-			137,053	
- Excluding capital gains		110,296			21,133	
		110,296			158,186	
Distribution during the year		(101,295)			(173,406)	
Undistributed income carried forward		226,742			217,741	
Undistributed income carried forward comprising of:						
- Realised income		230,411			151,145	
- Unrealised income		(3,669)			66,596	
		226,742			217,741	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			113.2781			113.3201
Net asset value per unit at the end of the year			113.6405			113.2781

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	2026	2025
CASH FLOW FROM OPERATING ACTIVITIES		--------- Rupees in '000 ---------	
Net income for the year before taxation		542,253	1,128,839
Adjustments for:			
Income on savings accounts with banks		(228,219)	(167,153)
Income on term finance certificates and corporate sukuk certificates		(40,156)	(148,072)
Income on market treasury bills		(4,407)	(586,640)
Income on Pakistan investment bonds		(387,867)	(287,770)
Income on letter of placements		-	(8,828)
Mark-up on margin trading system		(5,057)	(7,687)
Loss / (gain) on sale of investments - net		32,260	(70,457)
Net unrealised diminution / (appreciation) on re-measurement of investments classified as 'financial assets at fair value through profit or loss'	5.7	3,669	(66,596)
		(87,524)	(214,364)
Decrease / (increase) in assets			
Investments - net		673,790	217,979
Receivable against margin trading system		102,263	(95,810)
Advance, deposits, prepayment and other receivables		(14,850)	(349)
		761,203	121,820
(Decrease) / increase in liabilities			
Payable to HBL Asset Management Limited - Management Company		(4,785)	(3,179)
Payable to Central Depository Company of Pakistan Limited - Trustee		(1,255)	203
Payable to the Securities and Exchange Commission of Pakistan		(42)	96
Accrued expenses and other liabilities		(35,168)	(6,097)
		(41,250)	(8,977)
		632,429	(101,521)
Profit received on bank deposits		234,470	174,104
Interest / profit received on investments		439,237	1,084,547
Mark-up received on margin trading system		5,523	7,223
Net cash generated from operating activities		1,311,659	1,164,353
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units		12,909,580	25,120,233
Payment against redemption and conversion of units - net		(18,269,735)	(17,886,074)
Cash dividend paid		(117,992)	(156,709)
Net cash (used in) / generated from financing activities		(5,478,146)	7,077,450
Net (decrease) / increase in cash and cash equivalents during the year		(4,166,487)	8,241,803
Cash and cash equivalents at the beginning of the year		10,713,499	2,471,696
Cash and cash equivalents at the end of the year	14	6,547,012	10,713,499

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Income Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on September 6, 2006 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on July 25, 2006. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on September 8, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act, 2020.

1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and has obtained the requisite license from the SECP to undertake asset management services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi. The Management Company is the member of Mutual Funds Association of Pakistan (MUFAP).

1.3 The Fund is an open ended mutual fund categorised as 'Income Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange Limited (PSX). The units of the Fund were initially offered for public subscription at par from March 15, 2007 to March 17, 2007.

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

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the 'Income Statement' with certain additional disclosures in the financial statements; and

- Amendments to the IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

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

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (Notes 3.2 and 5) and provision for federal excise duty (Note 11.1).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Cash and cash equivalents

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

3.2 Financial assets

3.2.1 Initial recognition and measurement

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

3.2.2 Classification and subsequent measurement

Debt instruments

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

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

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

3.2.3 Impairment (other than debt securities)

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

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

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

3.2.4 Impairment loss on debt securities

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

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

3.2.5 Regular way contracts

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

3.2.6 Derecognition

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

3.3 Financial liabilities

3.3.1 Classification and subsequent measurement

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

3.3.2 Derecognition

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

3.4 Offsetting of financial assets and financial liabilities

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

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

3.5 Provisions

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

3.6 Net asset value per unit

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

3.7 Issue and redemption of units

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

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

3.8 Distributions to unit holders

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

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

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

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

3.10 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement and are recognised on the date when the transaction takes place;

- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise;

- Income on corporate sukuk certificates, term finance certificates, market treasury bills, Pakistan Investment Bonds and letters of placements is recognised on a time proportionate basis using the effective interest rate method; and

- Income on bank balances is recognised on time proportion basis using the effective interest rate method.

3.11 Expenses

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

3.12 Taxation

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

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

4	BANK BALANCES	Note	2026	2025
			-------- Rupees in '000 --------	
	Savings accounts	4.1	6,547,012	10,713,499

4.1 These include balances of Rs. 5,523.31 million (2025: Rs. 10,663.08 million) with Habib Bank Limited (a related party) that carry a profit at the rate of 13.15% (2025: 11.50%) per annum and Rs. 1,001.25 million (2025: Rs. 0.07 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.00% (2025: 11.25%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 11.00% to 12.00% (2025: 9.50% to 10.95%) per annum.

5	INVESTMENTS	Note	2026	2025
			-------- Rupees in '000 --------	
	At fair value through profit or loss			
	Corporate sukuk certificates	5.1	-	358,055
	Term finance certificates	5.2	128,036	485,853
	Government securities - Pakistan Investment Bonds	5.3	1,394,773	1,466,722
	Government securities - Market Treasury Bills	5.4	-	45,498
	Listed equity securities - classified as spread transactions	5.6	123,600	-
			1,646,409	2,356,128

5.1 Corporate sukuk certificates

Name of the investee company	Profit rate	Maturity date	As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation
			----------Number of certificates----------				---------- (Rupees in '000') ----------		
Pharmaceutical									
Aspin Pharma Private Limited (A1, VIS, non-traded) (January 6, 2025) Face value: Rs. 1,000,000	12.88%	July 06, 2025	200	-	200	-	-	-	-
Technology & Communication									
TPL Trakker (1st issue) (A-, PACRA, non-traded) (March 30, 2021) Face value: Rs. 388,889	13.63%	March 30, 2026	47	-	47	-	-	-	-
Others									
RYK Mills Limited (A1, VIS, non-traded) (February 11, 2025) Face Value: Rs. 1,000,000	13.29%	August 11, 2025	50	-	50	-	-	-	-
Burj Clean Energy Modaraba (A1,VIS, non-traded) (July 10, 2025) Face value: Rs. 100,000	12.88%	January 9, 2026	-	70	70	-	-	-	-
Sunridge Foods (Private) Limited (AAA, VIS, non-traded) (May 19, 2025) Face value: Rs. 100,000	12.11%	May 19, 2030	1,000	-	1,000	-	-	-	-
New Allied Electronics Industries (Private) Limited * (note 5.1.1) (December 3, 2007)	-	December 3, 2012	9,000	-	-	9,000	-	-	-
Total as at June 30, 2026							-	-	-
Total as at June 30, 2025							357,985	358,055	70

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

5.2 Term finance certificates

Name of the investee company	Profit rate	Maturity date	As at July 1, 2025	Purchased during the year	Disposed of / matured / settled during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised diminution	Percentage in relation to	
										net assets of the fund	total market value of investments
			----------Number of certificates----------				---------- (Rupees in '000') ---------				
Technology & Communication											
TPL Corporation Limited (3rd issue) (A+, PACRA, traded) (June 28, 2022) Face value: Rs. 100,000	13.93%	June 28, 2027	1,000	-	-	1000	29,333	29,334	-	0.36%	1.78%
Worldcall Telecom Limited ** (note 5.2.1) (October 7, 2008)	-	October 7, 2013	23,750	-	-	23,750	-	-	-	-	-
Commercial Banks											
Askari Bank Limited (AA-, VIS, non-traded) (March 17, 2020) Face Value: Rs. 1,000,000	12.30%	March 17, 2030	250	-	250	-	-	-	-	-	-
Soneri Bank Limited (4th issue) (A, PACRA, traded) (December 26, 2022) Face Value: Rs. 99,860	12.36%	December 26, 2032	1,000		-	1000	99,860	98,703	(1,157)	1.20%	6.00%
Trust											
Kashf Foundation (1st issue) (A, PACRA, non-traded) (Dec 8, 2023) 'Face Value: Rs. 100,000	12.53%	December 8, 2026	1,000	-	1,000	-	-	-	-	-	-
New Allied Electronics Industries (Private) Limited ** - TFC (note 5.2.2) (May 15, 2007)	-	May 15, 2011	9,000	-	-	9,000	-	-	-	-	-
Total as at June 30, 2026							**129,193**	**128,036**	**(1,157)**		
Total as at June 30, 2025							**487,608**	**485,853**	**(1,755)**		

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

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

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

5.3 Government securities - Pakistan Investment Bonds

Issue date	Tenor	As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation	Percentage in relation to	
									net assets of the Fund	total market value of investments
		Face value (Rupees in '000')				---------- (Rupees in '000') ----------				
October 19, 2023	3 years	350,000	-	-	350,000	349,927	349,685	(242)	4.26%	21.24%
February 15, 2024	3 years	500,000	-	-	500,000	506,881	506,814	(66)	6.17%	30.78%

Issue date	Tenor	As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation	Percentage in relation to	
									net assets of the Fund	total market value of investments
		Face value (Rupees in '000')				---------- (Rupees in '000') ----------				
October 13, 2022	5 years	200,000	-	-	200,000	200,721	197,159	(3,562)	2.40%	11.98%
April 18, 2024	5 years	275,000	-	275,000	-	-	-	-	-	-
June 16, 2025	5 years	125,000	-	125,000	-	-	-	-	-	-
September 20, 2024	2 years	-	2,000,000	1,650,000	350,000	341,505	341,114	(391)	4.15%	20.72%
Total as at June 30, 2026						1,399,034	1,394,773	(4,262)		
Total as at June 30, 2025						1,398,560	1,466,722	68,162		

5.3.1 The Pakistan Investment Bonds carry yield ranging from 10.17% to 11.61% (2025: 11.72% to 16.66%) per annum and have maturities upto October 13, 2027 (2025: June 16, 2030).

5.3.2 This includes fixed rate Pakistan Investment Bonds pledged with the National Clearing Company of Pakistan Limited (NCCPL) in accordance with the Circular no.11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The bond has a face value of Rs. 2,000 million and a market value of Rs. 341.11 million as at June 30, 2026 (2025: Rs. 49.440 million).

5.4 Government securities - Market Treasury Bills

Particulars	Issue date	Face Value (Rupees in '000)				Rupees in '000'			Percentage in relation to	
		As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation	Net assets of the Fund	Total market value of investments
Market Treasury Bills - 3 - months										
Market Treasury Bills	July 10, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 6 - months										
Market Treasury Bills	July 10, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 1 - Year										
Market Treasury Bills	July 10, 2025	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills	May 29, 2025	50,000	-	50,000	-	-	-	-	-	-
Total as at June 30, 2026						-	-	-		
Total as at June 30, 2025						45,379	45,498	119		

5.5 Details of non-compliant investments

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

Name of non-compliant investment	Note	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	Percentage in relation to	
						net assets of the Fund	total market value of investments
			-------- (Rupees in '000) --------			-------- Percentage --------	
New Allied Electronics Industries (Private) Limited	5.1.1	Sukuk	44,149	44,149	-	-	-
Worldcall Telecom Limited	5.2.1	TFC	37,330	37,330	-	-	-
New Allied Electronics Industries (Private) Limited	5.2.2	TFC	19,025	19,025	-	-	-
			100,504	100,504	-		

5.6 Listed equity securities - classified as spread transactions

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
									net assets of the Fund	total market value of investments	
	---------- Number of shares ----------					---------- Rupees in '000'----------			---------- Percentage ----------		
TPL REIT Fund	-	7,000,000	-	7,000,000	-	-	-	-	-	-	-
TPL REIT Fund	-	6,000,000	-	6,000,000	-	-	-	-	-	-	-
TPL REIT Fund	-	13,000,000	-	13,000,000	-	-	-	-	-	-	-
TPL REIT Fund*	-	500,000	-	-	500,000	4,860	4,930	70	0.06%	0.30%	-
TPL REIT Fund	-	1,000,000	-	-	1,000,000	9,740	9,880	140	0.12%	0.60%	0.01%
TPL REIT Fund	-	11,000,000	-	-	11,000,000	107,250	108,790	1,540	1.32%	6.61%	0.06%
Total as at June 30, 2026						121,850	123,600	1,750			
Total as at June 30, 2025						-	-	-			

**nil due to rounding off*

5.7 Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	2026	2025
		-------- Rupees in '000--------	
Market value of investments	5.1, 5.2, 5.3, 5.4, & 5.6	1,646,409	2,356,128
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4, & 5.6	(1,650,078)	(2,289,532)
		(3,669)	66,596

6 INTEREST / PROFIT ACCRUED

	Note		
Interest / profit accrued on:			
Bank balances	6.1	11,648	17,899
Debt securities - Term finance certificates		1,058	21,302
Government securities - Pakistan Investment Bonds		38,878	25,441
Margin trading system		-	466
		51,584	65,108

6.1 These include profit receivable amounting to Rs. 6.78 million (2025: Rs. 14.51 million) from HBL Bank Limited (a related party) and Rs. 3.13 million (2025: Rs. 1.34 million) from HBL Microfinance Bank Limited (a related party).

7	ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES	Note	2026	2025
			-------- Rupees in '000--------	
	Security deposits with:			
	- National Clearing Company of Pakistan Limited		38,169	38,169
	- Central Depository Company of Pakistan Limited		100	100
			38,269	38,269
	Advance tax	7.1	25,225	25,212
	Prepaid expenses		382	572
	Other receivable		15,384	357
			79,260	64,410

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on profit on bank deposit paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdee. The tax withheld on profit on debt and capital gain on sale of investments amounts to Rs. 25.225 million (2025: Rs. 25.212 million).

For this purpose, MUFAP on behalf of various mutual Funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgement of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on bank balances and debt securities has been shown as other receivable as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

8	PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
			--------- Rupees in '000 ---------	
	Remuneration payable to the Management Company	8.1	5,127	8,949
	Sindh sales tax payable on remuneration of the Management Company	8.2	769	1,342
	Sales load payable		-	390
			5,896	10,681

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document and subject to a capping of 1.50% for a collective investment scheme categorised as an 'Income Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate ranging from 1.00% to 1.25% (2025: 1.00% to 2.5%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

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

8.3 The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing services, registrar services, accounting, operation and valuation services was excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expenses for the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company charged expenses related to selling and marketing services at the rates ranging from 0.00% to 0.35% of the daily assets of the Fund and in relation to registrar services, accounting, operation and valuation services at the rates ranging from 0.00% to 0.30% of the daily assets of the Fund.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
		--------- Rupees in '000 ---------	
Remuneration payable to the Trustee	9.1	307	415
Sindh sales tax payable on remuneration of the Trustee	9.2	46	62
CDS charges payable		6	1,137
		359	1,614

9.1 The Trustee is entitled to monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.075% (2025: 0.075%) per annum of daily net assets of the Fund. The remuneration is paid to the Trustee monthly in arrears.

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

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2026	2025
		--------- Rupees in '000 ---------	
Fee payable	10.1	307	349

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP) at the rate of fee to 0.075% per annum of the daily net assets of the Fund, applicable to an 'Income Scheme'. Accordingly, the Fund has charged SECP fee at the rate of 0.075% (2025: 0.075%) per annum of the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
		--------- Rupees in '000 ---------	
Federal excise duty payable on the Management Company's remuneration	11.1	27,578	27,578
Capital gain tax payable		14,360	39,177
Withholding tax payable		27,030	34,051
Auditor's remuneration		766	1,029
Securities transaction cost payable		652	-
Zakat payable		82	652
Other payables		153	3,302
		70,621	105,789

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 27.578 million (2025: Rs. 27.578 million) is being retained in these financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV of the Fund would have been higher by Re. 0.3816 (2025: Re. 0.2373) per unit.

12 CONTINGENCIES AND COMMITMENTS

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

13 NUMBER OF UNITS IN ISSUE

	2026	2025
	------ Number of units ------	
Units in issue at the beginning of the year	116,196,079	43,883,513
Issued during the year	111,922,541	214,424,679
Redeemed during the year	(155,858,245)	(142,112,113)
Total units in issue at the end of the year	72,260,375	116,196,079

14 CASH AND CASH EQUIVALENTS

	Note	2026	2025
		--------- Rupees in '000 ---------	
Bank balances	4	6,547,012	10,713,499

15 AUDITOR'S REMUNERATION

Annual audit fee	426	370
Half yearly review	284	247
Certifications and other services	188	227
Out of pocket expenses and Sindh sales tax	158	178
	1,056	1,022

16 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 2.5% for a collective investment scheme categorised as an "Income Scheme", applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 to these financial statements.

17 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

18 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

18.1 Transactions during the year	2026	2025
	---------- Rupees in '000 ----------	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company (including Sindh sales tax thereon)	74,441	197,299
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	3,795
Selling and marketing expenses	-	3,756
Issuance of 1,062,259 (2025: 423,948) units	125,000	50,000
Redemption of 1,538,756 (2025: nil) units	190,109	-
Dividend reinvestment of nil (2025: 52,549) units	-	7,292
Habib Bank Limited - Sponsor		
Bank charges paid	40	320
Profit earned on bank balance	56,303	50,812
Purchase of Market Treasury Bills	-	1,195,090
Sale of Market Treasury Bills	926,530	4,631,281
Sale of Pakistan Investment Bonds	239,976	837,109
HBL Microfinance Bank - Associated Company		
Profit earned on bank balances	135,110	47,793
Purchase of Market Treasury Bills	-	183,470
CDC Trustee HBL Money Market Fund - Fund under common management		
Sale of Pakistan Investment Bonds	1,311,053	-
CDC Trustee HBL Cash Fund - Fund under common management		
Sale of Pakistan Investment Bonds	291,116	-
CDC Trustee HBL Islamic Income Fund - Fund under common management		
Sale of Term Finance Certificate	100,033	-
CDC Trustee HBL Islamic Money Market Fund - Fund under common management		
Sale of Term Finance Certificate	73,219	-
CDC Trustee HBL Cash Fund - Fund under common management		
Sale of Market Treasury Bills	-	713,082
CDC Trustee HBL Multi Asset Fund - Fund under common management		
Purchase of Market Treasury Bills	-	5,362

	2026	2025
	---------- Rupees in '000 ----------	
CDC Trustee HBL Total Treasury Exchange Traded Fund - Fund under common management		
Purchase of Market Treasury Bills	-	260,171
CDC Trustee HBL Government Securities Fund - Fund under common management		
Purchase of Market Treasury Bills	-	10,988
Sale of Market Treasury Bills	-	192,243
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including Sindh sales tax thereon)	5,226	7,367
CDS charges	170	160
Directors and Executives of the Management Company and their relatives		
Issue of 45,069 (2025: 171,857) units	5,202	20,186
Redemption of 45,073 (2025: 281,335) units	5,421	32,965
Dividend reinvestment of 1,660 (2025: 2,633) units	251	397
Gul Ahmed Energy Limited - connected person due to holding more than 10% units		
Issue of 11,585,585 (2025: nil) units	1,314,951	-

18.2 Balances outstanding as at year end

HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	5,127	8,949
Sindh sales tax payable on management remuneration	769	1,342
Sales load payable	-	390
Outstanding nil (2025: 476,497) units	-	53,977
Habib Bank Limited - Sponsor		
Bank balance	12,756	10,663,081
Profit accrued on bank balance	6,780	14,506
HBL Microfinance Bank - Associated Company		
Bank balances	1,001,254	66
Profit accrued on bank balances	3,127	1,334
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	307	415
Sindh sales tax payable on trustee fee	46	62
Security deposit receivable	100	100
CDS charges payable	6	1,137
Directors and Executives of the Management Company and their relatives		
Outstanding 27,394 (2025: 25,738) units	3,113	2,916
Gul Ahmed Energy Limited		
Outstanding 11,585,585 (2025: nil) units	1,316,591	-

19 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	6,547,012	-	6,547,012
Investments	-	1,646,409	1,646,409
Interest / profit accrued	51,584	-	51,584
Deposits and other receivables	53,653	-	53,653
	6,652,250	1,646,409	8,298,659
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	5,896	-	5,896
Payable to Central Depository Company of Pakistan Limited - Trustee	359	-	359
Unclaimed dividend	3,802	-	3,802
Dividend payable	-	-	-
Payable against redemption and conversion of units	31,576	-	31,576
Accrued expenses and other liabilities	1,571	-	1,571
	43,203	-	43,203

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	10,713,499	-	10,713,499
Investments	-	2,356,128	2,356,128
Receivable against margin trading system	102,263	-	102,263
Interest / profit accrued	65,108	-	65,108
Deposits and other receivables	38,626	-	38,626
	10,919,496	2,356,128	13,275,624
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	10,681	-	10,681
Payable to Central Depository Company of Pakistan Limited - Trustee	1,614	-	1,614
Unclaimed dividend	3,802	-	3,802
Dividend payable	16,697	-	16,697
Payable against redemption and conversion of units	-	-	-
Accrued expenses and other liabilities	4,331	-	4,331
	37,125	-	37,125

20 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

20.1 Market risk

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

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

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

(i) Yield / Interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks, investments in Term finance certificates, Corporate sukuk certificates, Market Treasury Bills and Pakistan Investment Bonds. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based term finance certificates, corporate sukuk certificates, Pakistan Investment Bonds and balances with banks which expose the Fund to cash flow interest rate risk. In the case of a 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 74.621 million (2025: Rs. 121.729 million).

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

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

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

	2026					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		Rupees in '000				
Financial assets						
Bank balances	11.00% to 13.15%	6,547,012	-	-	-	6,547,012
Investments	10.17% to 13.93%	502,619	98,703	-	-	601,322
Receivable against margin trading system		-	-	-	-	-
Interest / profit accrued		-	-	-	51,584	51,584
Deposits and other receivable		-	-	-	53,653	53,653
		7,049,631	98,703	-	105,238	7,253,571
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	5,896	5,896
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	359	359
Unclaimed dividend		-	-	-	3,802	3,802
Dividend payable		-	-	-	-	-
Payable against redemption and conversion of units		-	-	-	31,576	31,576
Accrued expenses and other liabilities		-	-	-	1,571	1,571
		-	-	-	43,204	43,204
On-balance sheet gap (a)		7,049,631	98,703	-	62,034	7,210,367
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		7,049,631	98,703	-		
Cumulative interest rate sensitivity gap		7,049,631	7,148,334	7,148,334		

	2025				
	Effective yield / interest rate	Exposed to yield / interest rate risk		Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year	
		Rupees in '000			
Financial assets					
Bank balances	9.50% to 11.50%	10,713,499	-	-	-	10,713,499
Investments	10.07% to 24.08%	-	295,498	2,060,630	-	2,356,128
Receivable against margin trading system		102,263	-	-	-	102,263
Interest / profit accrued		-	-	-	65,108	65,108
Deposits and other receivable		-	-	-	38,626	38,626
		10,815,762	295,498	2,060,630	103,734	13,275,624
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	10,681	10,681
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,614	1,614
Unclaimed dividend		-	-	-	3,802	3,802
Dividend payable		-	-	-	16,697	16,697
Payable against redemption and conversion of units		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	4,331	4,331
		-	-	-	37,125	37,125
On-balance sheet gap (a)		10,815,762	295,498	2,060,630	66,609	13,238,499
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		10,815,762	295,498	2,060,630		
Cumulative interest rate sensitivity gap		10,815,762	11,111,260	13,171,890		

(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of 1% increase / (decrease) in the fair value of the Fund's equity securities on June 30, 2026, net assets of the Fund would have increased / (decreased) by Rs. 1.24 million (2025: nil).

The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents the management company's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 Index.

20.2 Liquidity risk

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

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

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

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

	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	5,896	-	-	-	-	-	5,896
Payable to Central Depository Company of Pakistan Limited - Trustee	359	-	-	-	-	-	359
Unclaimed dividend	3,802	-	-	-	-	-	3,802
Dividend payable	-	-	-	-	-	-	-
Payable against redemption and conversion of units	31,576	-	-	-	-	-	31,576
Accrued expenses and other liabilities	805	766	-	-	-	-	1,571
	42,437	766	-	-	-	-	43,203
	6,609,812	(766)	-	-	-	-	(43,203)

	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	10,681	-	-	-	-	-	10,681
Payable to Central Depository Company of Pakistan Limited - Trustee	1,614	-	-	-	-	-	1,614 -
Unclaimed dividend	3,802	-	-	-	-	-	3,802
Dividend payable	16,697	-	-	-	-	-	16,697
Payable against redemption and conversion of units	-	-	-	-	-	-	-
Accrued expenses and other liabilities	3,302	1,029	-	-	-	-	4,331
	36,096	1,029	-	-	-	-	37,125
	10,883,400	(1,029)	295,498	1,541,722	518,908	-	13,238,499

20.3 Credit risk

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

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

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

	---------2026---------		---------2025---------	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	----------Rupees in '000----------			
Bank balances	6,547,012	6,547,012	10,713,499	10,713,499
Investments	1,646,409	251,636	2,356,128	843,908
Receivable against margin trading system	-	-	102,263	102,263
Interest / profit accrued	51,584	12,706	65,108	39,667
Deposits and other receivable	53,653	53,653	38,626	38,626
	8,298,659	6,865,008	13,275,624	11,737,963

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

20.3.2 Credit quality of financial assets

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

Rating category	Percentage of financial assets exposed to credit risk	
	2026	2025
Bank balances and profit accrued thereon		
AAA	79.57%	81.04%
AA-	-	0.35%
AA	0.20%	-
	79.77%	81.39%
Investments - Term finance certificates and corporate sukuk certificates		
AAA	-	0.76%
AA+	-	1.92%
AA-	-	0.76%
A+	0.36%	0.06%
A	1.20%	1.02%
A1	-	1.90%
	1.56%	6.41%

20.3.3 Concentration of credit risk

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

All financial assets of the Fund as at June 30, 2026 are unsecured and are not impaired except for instruments mentioned in Note 5.5.

21 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

ASSETS	2026			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets at fair value through profit or loss				
- Corporate sukuk certificates	-	-	-	-
- Term finance certificates	-	128,036	-	128,036
- Pakistan Investment Bonds	-	1,394,773	-	1,394,773
- Market Treasury Bills	-	-	-	-
- Listed equity securities (spread transactions)	123,600	-	-	123,600
	123,600	1,522,809	-	1,646,409

	2025			
	Level 1	Level 2	Level 3	Total
	Rupees in '000			
Financial assets at fair value through profit or loss				
- Corporate sukuk certificates	-	358,055	-	358,055
- Term finance certificates	-	485,853	-	485,853
- Pakistan Investment Bonds	-	1,466,722	-	1,466,722
- Market Treasury Bills	-	45,498	-	45,498
- Listed equity securities (spread transactions)	-	-	-	-
	-	2,356,128	-	2,356,128

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

Items	Valuation techniques
Term finance certificates	Term finance certificates are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities.
Pakistan Investment Bonds - floating rate	The valuation has been derived from PKFRV rates. The PKFRV rates are announced daily by FMA (Financial Market Association) through MUFAP.
Pakistan Investment Bonds - fixed rate and zero coupon bonds	The valuation for Pakistan Investment Bonds - fixed rate and zero coupon bonds has been derived from PKRV rates. The PKRV rates are announced daily by the Financial Market Association through MUFAP.
Market Treasury Bills	
Listed equity securities - classified as spread transactions	The valuation has been determined through closing rates of Pakistan Stock Exchange.

There were no transfers between levels during the year.

22 UNITS HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in Note 20, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

23 UNIT HOLDING PATTERN OF THE FUND

Category	2026			2025		
	Number of unit holders	Investment amount	Percentage of total	Number of unit holders	Investment amount	Percentage of total
		Rupees in '000'			Rupees in '000'	
Individuals	1,985	4,418,272	53.81%	2,608	11,461,455	87.08%
Associated Companies and directors *	1	-	-	1	-	-
NBFCs	-	-	-	2	53,977	0.41%
Retirement Funds	9	168,473	2.05%	16	516,865	3.93%
Public Limited Companies	3	1,952,959	23.78%	1	1	0.00%
Others	21	1,672,000	20.36%	21	1,130,178	8.58%
	2,019	8,211,704	100.00%	2,649	13,162,476	100.00%

**nil due to rounding off*

24 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2026	2025
Name of broker	Name of broker
Pearl Securities Limited	Invest One Market Limited
Habib Metropolitan Financial Services Limited	Continental Exchange (Private) Limited
Currency Market Associates (Private) Limited	AKD Securities Limited
First Credit and Investment Bank Limited	Vector Securities (Private) Limited
Sherman Securities (Private) Limited	BMA Capital Management Limited
Invest One Markets Limited	Alfalah CLSA Securities (Private) Limited
Continental Exchange (Private) Limited	Magenta Capital (Private) Limited
Icon Management (Private) Limited	Summit Capital (Private) Limited
	Optimus Capital Management (Private) Limited
	C & M Management (Private) Limited

25 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

26 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

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

S.no.	Name of director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3	Mr. Rayomond H. Kotwal *	6	5	1	December 22, 2025
4	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
5	Mr. Tariq Masaud	9	8	1	October 30, 2025
6	Mr. Mir Adil Rashid	9	9	-	-
7	Mr. Ifran Ahmed Meer*	3	2	1	April 29, 2026
8	Mr. Khalid Malik	9	9	-	-
9	Dr. Sahar Awan*	3	3	-	-
10	Mr. Habib Yousuf Habib *	3	3	-	-
11	Ms. Sheeza Ahmed	9	9	-	-

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

27 GENERAL

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

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

28 DATE OF AUTHORISATION FOR ISSUE

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Goverment Securities Fund

FUND INFORMATION

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

Type and Category of Fund

Open end Sovereign Income Fund

Investment Objective and Accomplishment of Objective

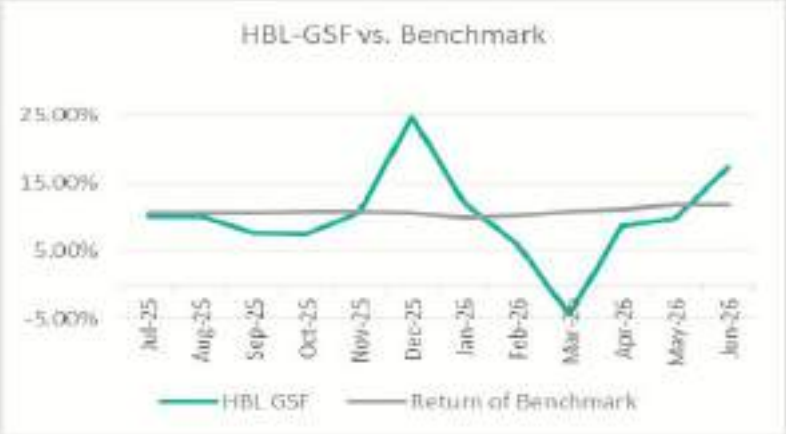
The investment objective of the Fund is to provide consistent returns to its investors through active investments in a blend of short-, medium- and long-term securities issued and / or guaranteed by Government of Pakistan. The Fund will aim to provide superior risk adjusted returns through active duration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

Benchmark and Performance Comparison with Benchmark

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

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

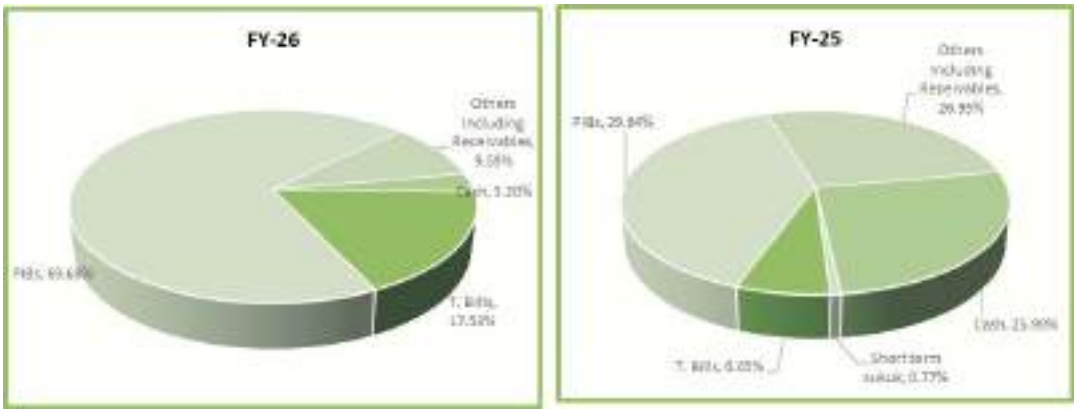
Month	HBL-GSF	Benchmark
Jun-26	17.38%	11.79%
May-26	9.70%	11.80%
Apr-26	8.70%	11.13%
Mar-26	-4.31%	10.83%
Feb-26	5.87%	10.21%
Jan-26	12.02%	9.97%
Dec-25	24.75%	10.54%
Nov-25	10.59%	10.80%
Oct-25	7.48%	10.79%
Sept-25	7.69%	10.67%
Aug-25	10.01%	10.67%
Jul-25	10.09%	10.62%



Strategies and Policies employed during the Year

Towards the end of the year, the fund's allocation was increased in PIBs to 69.68% of total assets. Cash balance of 3.20% of total assets was maintained at year end. Additional investments were made in T-bills which made up 17.53% of total assets, respectively. HBL Government Securities Fund posted an annualized return (YTD) of 10.46% against the benchmark return of 10.82% in FY26.

Asset Allocation



Significant Changes in Asset Allocation during the Year

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

Fund Performance

The total income and net income of the Fund was Rs. 587.57 million and Rs. 509.29 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 114.5874 per unit as on June 30, 2026 (after incorporating dividend of Rs. 11.35 per unit) as compared to Rs. 114.0631 per unit as on June 30, 2025, thereby giving an annualized return of 10.46%. During the same period the benchmark (90% 6 Month KIBOR and 10% 6 Month Deposit rates) return was 10.82%. The size of Fund was Rs. 3.74 billion as on June 30, 2026 as compared to Rs. 4.93 billion at the start of the year.

Money Market Review

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

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

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

Distribution

The Fund has distributed cash dividend up-to Rs. 11.35 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in state of affairs of the Fund.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	1,485	13,090
101 - 500	139	34,217
501 - 1,000	50	37,735
1,001 - 10,000	140	572,214
10,001 - 100,000	82	3,058,329
100,001 - 500,000	19	4,423,003
500,001 - 1,000,000	1	543,060
1,000,001 - 5,000,000	4	6,818,813
5,000,001 and above	1	17,138,704
Total	**1,921**	**32,639,165**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL GOVERMENT SECURITIES FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end(Rs'000)	3,740,036	4,925,578	2,059,988	776,440	630,583	1,071,015
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	114.5874	114.0631	113.4443	112.9460	112.4774	112.5377
Offer	117.2229	116.6866	115.4986	115.4986	112.4774	112.5377
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	128.2816	137.5509	139.0591	128.6022	121.4710	117.7051
Lowest offer price per unit	116.6949	116.0500	112.9847	112.4855	112.4774	112.1511
Highest redemption price per unit	125.3975	134.4584	136.0793	128.6022	121.4710	117.7051
Lowest redemption price per unit	114.0713	113.4409	112.9847	112.4855	112.4774	112.1511
RETURN (%)						
Total return	10.46%	19.03%	20.92%	14.88%	7.89%	5.10%
Income distribution	10.00%	18.38%	20.45%	14.40%	7.95%	5.45%
Capital growth	0.46%	0.65%	0.47%	0.48%	-0.06%	-0.35%
DISTRIBUTION						
First Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Second Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Third Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Fourth Interim dividend distribution (Rs)	-	-	-	-	-	-
Date of Income Distribution						
Final dividend distributation (Rs)	11.35	20.85	23.1	16.2	8.95	5.45
Date of Income Distribution	19-Jun-26	20-Jun-25	14-Jun-24	23-Jun-23	24-Jun-22	18-Jun-21
Total dividend distribution for the year/ period (Rs)	11.35	20.85	23.10	16.20	8.95	5.45
AVERAGE RETURNS (%)						
Average annual return 1 year	10.46%	19.03%	20.92%	14.88%	7.89%	5.10%
Average annual return 2 year	5.10%	19.97%	17.86%	11.33%	6.49%	10.43%
Average annual return 3 year	18.25%	3.37%	14.44%	9.21%	9.57%	10.07%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	3.20%	50.87%	14.41%	17.15%	43.01%	23.17%
T-Bills	17.53%	6.65%	1.84%	0.00%	0.00%	0.00%
Placement with Banks and DFIs	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PIBs	69.68%	39.64%	71.54%	27.29%	49.77%	70.05%
Gov. Backed/Guaranteed Sec.	0.00%	0.00%	0.00%	47.26%	0.00%	0.00%
Commercial Papers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporate Sukuks / TFCs	0.00%	0.77%	7.07%	4.97%	4.78%	4.50%
MTS / Spread Transactions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Others Including receivables	9.59%	2.07%	5.14%	3.33%	2.44%	2.28%
Weighted average portfolio during (No. of days)	294	663	843	464	1,953	1,509

Note:

The Launch date of the Fund is July 25, 2010

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GOVERNEMENT SECURITIES FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Government Securities Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

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

Tel: +92 (021) 3454 6494-7
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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Government Securities Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Government Securities Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 3,337.641 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained the Investors' Portfolio Securities Account Statements for verifying the existence of the government securities portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

yousuf adil
Chartered Accountants

Place: Karachi
Date: September 28, 2025
UDIN: AR202610057 6WYI5DJN

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HBL GOVERNMENT SECURITIES FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
		------- (Rupees in '000) -------	
ASSETS			
Bank balances	4	**376,343**	1,308,525
Investments	5	**3,337,641**	3,650,411
Profit / markup receivable	6	**113,890**	158,882
Receivable against sale of investment		**382**	-
Advances, deposits and prepayments	7	**2,501**	2,392
Total assets		**3,830,757**	5,120,210
LIABILITIES			
Payable to the Management Company	8	**6,192**	12,060
Payable to the Trustee	9	**209**	317
Payable to SECP	10	**244**	507
Dividend payable		**35,082**	230
Payable against redemptions of units		**2,456**	1,063
Accrued expenses and other liabilities	11	**46,538**	180,455
Total liabilities		**90,721**	194,632
NET ASSETS		**3,740,036**	4,925,578
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**3,740,036**	4,925,578
CONTINGENCIES AND COMMITMENTS	12		
		-------(Number of units)-------	
NUMBER OF UNITS IN ISSUE	13	**32,639,165**	43,182,914
		-------(Rupees)-------	
NET ASSETS VALUE PER UNIT	3.8	**114.5874**	114.0631

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL GOVERNMENT SECURITIES FUND
Income Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
Income		------ (Rupees in '000) ------	
Capital (loss) / gain on sale of investments - net		**(32,255)**	156,743
Income from government securities		**507,064**	1,522,460
Income from term finance certificates		**4,225**	9,337
Profit on bank deposits		**124,792**	145,993
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss - net	5.3	**(16,259)**	157,670
		587,567	1,992,203
Expenses			
Remuneration of the Management Company	8.1	**59,315**	200,598
Sindh sales tax on remuneration of the Management Company	8.2	**8,897**	30,090
Allocated expenses		**-**	427
Sindh sales tax on allocated expenses		**-**	64
Selling and marketing expense		**-**	1,092
Remuneration of the Trustee	9.1	**3,276**	6,534
Sindh sales tax on remuneration of the Trustee	9.2	**491**	980
SECP fee	10.1	**4,223**	8,912
Auditors' remuneration	14	**1,013**	831
Legal and professional charges		**186**	240
Fee and subscription		**428**	373
Securities transaction costs		**75**	795
Settlement and bank charges		**375**	768
		78,279	251,704
Net income for the year before taxation		**509,288**	1,740,499
Taxation	15	**-**	-
Net income for the year after taxation		**509,288**	1,740,499
Allocation of net income for the year			
Net income for the year after taxation		**509,288**	1,740,499
Income already paid on redemption of units		**(353,892)**	(1,357,936)
		155,396	382,563
Accounting income available for distribution:			
Relating to capital gain		**-**	69,108
Excluding capital gain		**155,396**	313,455
		155,396	382,563

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL GOVERNMENT SECURITIES FUND
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	---------- (Rupees in '000) ----------	
Net income for the year after taxation	**509,288**	1,740,499
Other comprehensive income	**-**	-
Total comprehensive income for the year	**509,288**	1,740,499

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	June 30, 2026			June 30, 2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	**4,721,356**	**204,222**	**4,925,578**	1,858,505	201,483	2,059,988
Issuance of 121,829,081 units (2025: 365,421,180 units)						
Capital value (at net asset value per unit at the beginning of the year)	**13,896,203**	**-**	**13,896,203**	41,454,950	-	41,454,950
Element of income	**657,253**	**-**	**657,253**	3,814,381	-	3,814,381
	14,553,456	**-**	**14,553,456**	45,269,331	-	45,269,331
Redemption of 132,372,831 units (2025: 340,396,850 units)						
Capital value (at net asset value per unit at the beginning of the year)	**(15,098,855)**	**-**	**(15,098,855)**	(38,616,082)	-	(38,616,082)
Income already paid on redemption of units	**-**	**(353,892)**	**(353,892)**	-	(1,357,936)	(1,357,936)
Element of loss	**(522,188)**	**-**	**(522,188)**	(3,270,749)	-	(3,270,749)
	(15,621,043)	**(353,892)**	**(15,974,935)**	(41,886,831)	(1,357,936)	(43,244,767)
Total comprehensive income for the year	**-**	**509,288**	**509,288**	-	1,740,499	1,740,499
Rs. 11.35 per unit declared on June 19, 2026 as cash dividend (2025: Rs. 20.85 per unit)						
Distribution during the year	**-**	**(135,651)**	**(135,651)**	-	(379,824)	(379,824)
Refund of capital	**(137,700)**	**-**	**(137,700)**	(519,649)	-	(519,649)
	(137,700)	**373,637**	**235,937**	(519,649)	1,360,675	841,026
Net assets at end of the year	**3,516,069**	**223,967**	**3,740,036**	4,721,356	204,222	4,925,578

Undistributed income brought forward		
Realised	**46,552**	195,641
Unrealised	**157,670**	5,842
	204,222	201,483
Accounting income available for distribution		
Relating to capital gain	**-**	69,108
Excluding capital gain	**155,396**	313,455
	155,396	382,563
Distributions during the year	**(135,651)**	(379,824)
Undistributed income carried forward	**223,967**	204,222
Undistributed income carried forward		
Realised	**240,226**	46,552
Unrealised	**(16,259)**	157,670
	223,967	204,222
	(Rupees)	**(Rupees)**
Net assets value per unit at beginning of the year	**114.0631**	113.4443
Net assets value per unit at end of the year	**114.5874**	114.0631

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL GOVERNMENT SECURITIES FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		--------- (Rupees in '000) ---------	
Net income for the year before taxation		**509,288**	1,740,499
Adjustments for non cash and other items:			
Capital loss / (gain) on sale of investments - net		**32,255**	(156,743)
Income from Government securities		**(507,064)**	(1,522,460)
Income from term finance certificates		**(4,225)**	(9,337)
Profit on bank deposits		**(124,792)**	(145,993)
Unrealised loss / (gain) on re-measurement of investments at fair value through profit or loss - net		**16,259**	(157,670)
		(78,279)	(251,704)
Decrease / (increase) in assets			
Investments - net		**263,874**	(1,628,409)
Advances, deposits and prepayments		**(109)**	(114)
		263,765	(1,628,523)
(Decrease) / increase in liabilities			
Payable to the Management Company		**(5,868)**	7,188
Payable to the Trustee		**(108)**	199
Payable to SECP		**(263)**	365
Accrued expenses and other liabilities		**(133,917)**	122,995
		(140,156)	130,747
Net cash generated from / (used in) operations		**45,330**	(1,749,480)
Income received from government securities		**541,373**	1,467,505
Income received from term finance certificates		**7,856**	17,403
Profit received on bank deposits		**131,844**	140,827
		681,073	1,625,735
Net cash generated from / (used in) operating activities		**726,403**	(123,745)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		**14,553,456**	45,269,331
Payment against redemption of units		**(15,973,542)**	(43,243,704)
Dividend paid		**(238,499)**	(899,243)
Net cash (used in) / generated from financing activities		**(1,658,585)**	1,126,384
Net (decrease) / increase in cash and cash equivalents		**(932,182)**	1,002,639
Cash and cash equivalents at the beginning of the year		**1,308,525**	305,886
Cash and cash equivalents at end of the year	4	**376,343**	1,308,525

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Government Securities Fund ("the Fund") was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC / Trustee) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. NBFC-II/DD/PICICIF/199 dated March 10, 2010 and the Trust Deed was executed on March 17, 2010.

1.2 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.3 Effective from September 01, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.

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

1.5 The Fund has been categorised as a Sovereign Income Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).The Fund is an open-ended sovereign income scheme and is listed on Pakistan Stock Exchange Limited (PSX). The units of the Fund were initially offered for public subscription at par value of Rs. 100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

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

1.7 VIS Credit Rating company has assigned a management quality rating of AM1 to the HBL Asset Management Company Limited (the management company) at December 31, 2025 and assigned stability rating of AA-(f) to the Fund dated December 29, 2025.

1.8 Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

2.3 Standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except those mentioned in note 2.3.1.

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

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

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

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

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

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

2.4 Use of judgments and estimates

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgment in application of accounting policies. The estimates, judgments and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

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

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

3.1 Financial instruments

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

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

3.1.1 Financial assets

3.1.1.1 Classification and measurement of financial assets

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

3.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government securities not listed on a Pakistan Stock Exchange (PSX) and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on PSX are valued at rates quoted on PSX.

Basis of valuation of debt securities:

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

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

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

3.1.1.3 Impairment of financial assets

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

3.1.1.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

3.1.1.5 Derecognition

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

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

3.1.2 Financial liabilities

3.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the EIR method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading) or the Fund has opted to measure them FVTPL.

3.1.2.2 Derecognition

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

3.1.3 Offsetting of financial instruments

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

3.2 Cash and cash equivalents

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

3.3 Provisions

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

3.4 Taxation

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

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

3.5 Dividend distribution and appropriations

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

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

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

3.6 Issue and redemption of units

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

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

3.7 Element of income

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

3.8 Net assets value per unit

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

3.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments classified as 'at fair value through profit or loss' is included in the income statement in the period in which it arises.

- Income / profit from investments in term finance certificates / sukuks, and government securities is recognised on a time proportionate basis using effective interest rate method.

- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

3.10 Expenses

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

3.11 Earnings per unit

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

		Note	June 30, 2026	June 30, 2025
4.	**BANK BALANCES**		--------- (Rupees in '000) ---------	
	In savings accounts	4.1	**376,343**	1,308,525

4.1 These bank accounts carries mark-up at rates ranging between 8.5% to 13.15% (June 30, 2025: 9% to 11.5%). per annum This includes an amount held with related parties, Habib Bank Limited amounting to Rs. 346.8 million (June 30, 2025: Rs. 332.62 million) on which mark-up is earned at rate of 13.15% (June 30, 2025: 11.50%) per annum and HBL Microfinance Bank Limited amounting to Rs. 27 million (June 30, 2025: Rs. 877.39 million) on which mark-up is earned at rate of 11% (June 30, 2025: 11.25%) per annum.

		Note	June 30, 2026	June 30, 2025
5.	**INVESTMENTS**		--------- (Rupees in '000) ---------	
	Investments at fair value through profit or loss			
	Government securities	5.1	**3,337,641**	3,590,411
	Term Finance Certificates - Unlisted Securities	5.2	**-**	60,000
			3,337,641	3,650,411
5.1	**Government securities:**			
	Market Treasury Bills	5.1.1	**670,779**	516,016
	Pakistan Investment Bonds	5.1.2	**2,666,862**	3,074,395
	Pakistan Investment Bonds - FRB	5.1.3	**-**	-
			3,337,641	3,590,411

5.1.1 Market Treasury Bills

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
		---------- (Rupees in '000) ----------							---------- (%) ----------	
Market Treasury Bills - 1 months	January 22, 2026	-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 3 months	January 22, 2026	-	650,000	650,000	-	-	-	-	-	-
Market Treasury Bills - 6 months	June 26, 2025	-	35,000	35,000	-	-	-	-	-	-
Market Treasury Bills - 12 months	January 23, 2025	-	1,150,000	1,150,000	-	-	-	-	-	-
Market Treasury Bills - 12 months	February 06, 2025	-	251,000	251,000	-	-	-	-	-	-
Market Treasury Bills - 12 months	April 03, 2025	69,410	-	69,410	-	-	-	-	-	-
Market Treasury Bills - 12 months	June 26, 2025	500,000	-	500,000	-	-	-	-	-	-
Market Treasury Bills - 12 months	July 24, 2025	-	375,000	375,000	-	-	-	-	-	-
Market Treasury Bills - 12 months*	August 07, 2025	-	500,000	-	500,000	**494,923**	**494,362**	**(561)**	**13.22**	**14.81**
Market Treasury Bills - 12 months*	September 04, 2025	-	180,000	-	180,000	**177,005**	**176,417**	**(588)**	**4.72**	**5.29**

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
		---------- (Rupees in '000) ----------							---------- (%) ----------	
Market Treasury Bills - 12 months	October 30, 2025	-	600,000	600,000	-	-	-	-	-	-
As at June 30, 2026						**671,928**	**670,779**	**(1,149)**		
As at June 30, 2025						515,636	516,016	380		

* These carry effective yield of ranging between 10.08% to 10.75% (June 30,2025: 10.85% to 10.92%) per annum.

5.1.2 Pakistan Investment Bonds

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
		---------- (Rupees in '000) ----------							---------- (%) ----------	
Pakistan Investment Bonds - 2 years*	January 16, 2025	250,000	249,100	-	499,100	**473,134**	**469,340**	**(3,794)**	12.55	14.06
Pakistan Investment Bonds - 3 years	February 09, 2023	-	2,000,000	2,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 3 years*	February 15, 2024	1,421,100	-	-	1,421,100	**1,445,204**	**1,440,383**	**(4,821)**	38.51	43.16
Pakistan Investment Bonds - 3 years	January 16, 2025	125,000	-	125,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 years*	January 17, 2024	400,000	-	-	400,000	**422,369**	**419,792**	**(2,577)**	11.22	12.58
Pakistan Investment Bonds - 5 years*	January 16, 2025	675,000	500,000	970,000	205,000	**208,386**	**206,549**	**(1,837)**	5.52	6.19
Pakistan Investment Bonds- 10 Years*	December 10, 2020	150,000	-	-	150,000	**132,879**	**130,798**	**(2,081)**	3.50	3.92
As at June 30, 2026						**2,681,972**	**2,666,862**	**(15,110)**		
As at June 30, 2025						2,917,105	3,074,395	157,290		

*These carry effective yield of ranging between 11% to 12% (2025: 10.95% to 11.52%) per annum.

5.1.3 Pakistan Investment Bonds - FRB

Pakistan Investment Bonds - 5 years	May 6, 2021	230,000	-	230,000	-	-	-	-	-	-
As at June 30, 2026						-	-	-		
As at June 30, 2025						-	-	-		

5.2 Term Finance Certificates

Name of the investee company	As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of net assets	Market value as a percentage of total investments
					Carrying value	Market value	Unrealised (loss) / gain		
	---------- (Units) ----------				--------- (Rupees in '000) ---------			---------- (%) ----------	
Term Finance Certificates - unlisted									
Aspin Pharma (Private) Limited	60	-	60	-	-	-	-	-	-
Burj Clean Energy Modarba	-	70	70	-	-	-	-	-	-
As at June 30, 2026					-	-	-		
As at June 30, 2025					60,000	60,000	-		

			June 30, 2026	June 30, 2025
5.3	**Net unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss'**	**Note**	**------ (Rupees in '000) ------**	
	Market value of investments	5.1.1, 5.1.2, 5.1.3 & 5.2	**3,337,641**	3,650,411
	Less: Carrying value of investments	5.1.1, 5.1.2, 5.1.3 & 5.2	**3,353,900**	3,492,741
			(16,259)	157,670

6. PROFIT / MARK-UP RECEIVABLE

Profit / mark-up receivable on:			
Bank deposits	6.1	**4,291**	11,343
Pakistan Investment Bonds		**109,599**	143,908
Term Finance Certificates		**-**	3,631
		113,890	158,882

6.1 These includes Rs. 3 million (June 30, 2025: Rs. 3.075 million) receivable from Habib Bank Limited and Rs. 0.46 million (June 30, 2025: Rs. 6.119 million) receivable from HBL Microfinance Bank Limited, both are related parties.

			June 30, 2026	June 30, 2025
7.	**ADVANCES, DEPOSITS AND PREPAYMENTS**	**Note**	**------ (Rupees in '000) ------**	
	Security deposits with:			
	Central Depository Company of Pakistan Limited		**100**	100
	National Clearing Company of Pakistan limited		**1,066**	1,066
	Prepaid expenses	7.1	**331**	323
	Advance tax	7.2	**1,004**	903
			2,501	2,392

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

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

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

			June 30, 2026	June 30, 2025
8.	**PAYABLE TO THE MANAGEMENT COMPANY**	**Note**	**------- (Rupees in '000) -------**	
	Remuneration payable to the Management Company	8.1	**4,976**	9,775
	Sindh sales tax on Management Company's remuneration	8.2	**746**	1,466
	Sales load payable		**470**	817
	Selling and marketing expense payable		**-**	2
			6,192	12,060

8.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Income Scheme is capped at 1.50% per annum, calculated on the basis of the average daily net assets, effective from July 1, 2025. During the period, the Management Company has charged management fees at a rate of 1% to 1.5% of the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

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

		June 30, 2026	June 30, 2025
9. PAYABLE TO THE TRUSTEE	**Note**	**------- (Rupees in '000) -------**	
Trustee fee payable	9.1	**182**	276
Sindh Sales Tax on remuneration of the Trustee	9.2	**27**	41
		209	317

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

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

		June 30, 2026	June 30, 2025
10. PAYABLE TO SECP	**Note**	**------- (Rupees in '000) -------**	
SECP fee payable	10.1	**244**	507

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

		June 30, 2026	June 30, 2025
11. ACCRUED EXPENSES AND OTHER LIABILITIES	**Note**	**------- (Rupees in '000) -------**	
Withholding tax payable		**23,850**	86,357
Capital gain tax payable		**5,078**	76,021
Provision for Federal Excise Duty (FED)	11.1	**15,531**	15,531
Zakat payable		**29**	495
Brokerage payable		**-**	459
Auditors' remuneration		**1,096**	311
Others		**954**	1,281
		46,538	180,455

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

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

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

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 15.531 million (June 30, 2025: Rs. 15.531 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Re. 0.476 per unit (June 30, 2025: Re. 0.359 per unit).

12. CONTINGENCIES AND COMMITMENTS

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

13. NUMBER OF UNITS IN ISSUE	**June 30, 2026**	June 30, 2025
	------- (Number of units)-------	
Movement during the year		
Total units in issue at the beginning of the year	**43,182,914**	18,158,584
Add: Units issued	**121,829,082**	365,421,180
Less: Units redeemed	**132,372,831**	340,396,850
Total units in issue at the end of the year	**32,639,165**	43,182,914

14. AUDITORS' REMUNERATION	**June 30, 2026**	June 30, 2025
	-------- (Rupees in '000) --------	
Annual audit fee	**534**	438
Half yearly review fee	**229**	188
Other certifications and services	**73**	60
Out of pocket expenses	**102**	83
	938	769
Sindh sales tax	**75**	62
	1,013	831

15. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

Since the management distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

16. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2026 is 1.38% (2025: 2.12%) which includes 0.23% (2025: 0.34%) representing government levies on the Fund such as sales taxes, annual fee of SECP, etc. However, Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to Collective \ Investment Schemes, effective from July 01, 2025.

17. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include HBL Asset Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other CISs and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

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

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

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

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

	June 30, 2026	June 30, 2025
	---------- (Rupees in '000) ----------	
HBL Asset Management Limited - Management Company		
Remuneration of Management Company	**59,315**	200,598
Sindh sales tax on remuneration of the Management Company	**8,897**	30,090
Allocated expenses	**-**	427
Sindh sales tax on allocated expenses	**-**	64
Selling and marketing expense	**-**	1,092
Issue of 3,764,899 units (2025: 5,665,750)	**450,000**	720,016
Redemption of 10,381,985 units (2025: 3,029,802)	**1,272,119**	372,171
Dividend Reinvestment Nil units (2025: 270,024 units) -		40,842
Refund of Capital Nil units (2025: 681,311 units)	**-**	77,289
Amount received from Management Company against issuance to unitholders*	**-**	346
Central Depository Company of Pakistan Limited - Trustee		
Remuneration	**3,276**	6,534
Sindh sales tax on remuneration of the Trustee	**491**	980
CDC service charges	**8**	44
Habib Bank Limited - Sponsor		
Bank charges paid	**25**	189
Profit / mark-up on deposits accounts	**16,709**	33,779
Purchase of Treasury Bill	**558,431**	4,742,285
Sale of Treasury Bill	**496,232**	5,764,287
Sale of Pakistan Investment Bond	**316,012**	2,255,173
Purchase of Pakistan Investment Bond	**-**	430,184
HBL Microfinance Bank Limited		
Profit / mark-up on deposits accounts	**85,922**	-
Purchase of Treasury bill	**-**	462,888
Director and Executives of the Management Company		
Issue of 146,037 units (2025: 1,403,732 units)	**17,101**	174,702
Redemption of 149,309 units (2025: 1,466,855 units)	**17,506**	76,379
Dividend Reinvestment 4 units (2025: 100 units)	**1**	15
Refund of Capital of Nil units (2025: 388 units)	**-**	44

		June 30, 2026	June 30, 2025
		---------- (Rupees in '000) ----------	
	Member Of Karachi Bar Association - Associate		
	Dividend Reinvestment 59 units (2025: Nil units)	**16**	-
	CDC Trustee HBL Financial Sector Income - Fund Plan - I - Connected Party		
	Sale of Treasury Bill	**-**	772,428
	CDC Trustee HBL Cash Fund - Connected Party		
	Sale of Treasury Bill	**299,426**	773,778
	Purchase of Treasury Bill	**-**	39,829
	CDC Trustee HBL Pension Fund - Debt Sub Fund - Connected Party		
	Purchase of Treaury Bill	**-**	8,989
	CDC Trustee HBL Money Market Fund - Connected Party		
	Sale of Treasury Bill	**946,247**	-
	CDC Trustee HBL Total Treasury Exchange Traded Fund - Connected Party		
	Purchase of Pakistan Investment Bond	**-**	52,449
	CDC Trustee - HBL Income Fund		
	Sale of Treasury Bill	**-**	203,231
	1 Link Private Limited - Associate		
	Issue of Nil units (2025: 2,513,988 units)	**-**	305,000
	Redemption of 2,904,193 units (2025: 215,569 units)	**341,787**	32,606
	Refund of Capital of Nil units (2025: 174,637 units)	**-**	19,811
	Pakistan National Shipping Corporation - Associate		
	Issue of Nil units (2025: 312 units)	**-**	40
	Redemption of Nil units (2025: 312 units)	**-**	41
	Karachi Water And Sewerage Corporation Connected Party More Than 10%		
	Issue of 17,138,704 units (2025: Nil units)	**2,132,667**	-
	Muller & Phipps Pakistan Private Ltd. Staff Provident Fund - Connected Party More Than 10%		
	Dividend Reinvestment 323,921 units (2025: Nil units)	**36,950**	-
17.2	**Balance outstanding as at the year end**		
	HBL Asset Management Limited - Management Company		
	Remuneration payable to the Management Company	**4,976**	9,775
	Sindh sales tax payable on Management Company's remuneration	**746**	1,466
	Sales load payable	**470**	817
	Selling and marketing expense payable	**-**	2
	Units held Nil units (June 30, 2025: 6,617,085 units)	**-**	754,765

	June 30, 2026	June 30, 2025
	---------- (Rupees in '000) ----------	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**182**	276
Sindh sales tax payable on Trustee Remuneration	**27**	41
CDC charges payable	**3**	29
Security deposit	**100**	100
Habib Bank Limited - Sponsor		
Bank balances	**346,797**	332,635
Profit / mark-up receivable	**3,001**	3,075
HBL Microfinance Bank Limited		
Bank balances	**26,926**	877,393
Profit / mark-up receivable	**457**	6,119
Director and Executives of the Management Company		
Units held: 64 units (June 30, 2025: 3,331 units)	**7**	380
Member Of Karachi Bar Association - Associate		
Units held: 1,473 (June 30, 2025: 1414 units)	**169**	161
Karachi Water And Sewerage Corporation Connected Party More Than 10%		
Units held: 17,138,704 (June 30, 2025: Nil units)	**1,963,880**	-
1 Link Private Limited		
Units held: Nil units (June 30, 2025: 2,904,194)	**-**	331,261
Muller & Phipps Pakistan Private Ltd. Staff Provident Fund Connected Party More Than 10%		
Units held: 3,579,438 (June 30, 2025: 3,255,517 units)	**410,158**	371,334

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

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

Particular	June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Government securities	**3,337,641**	**-**	**3,337,641**	**-**	**3,337,641**	**-**	**3,337,641**
Financial assets not measured at fair value							
Bank balances	**-**	**376,343**	**376,343**				
Profit / mark-up receivable	**-**	**113,890**	**113,890**				
Receivable against sale of investment	**-**	**382**	**382**				
Deposits	**-**	**1,166**	**1,166**				
	-	**491,781**	**491,781**				
Financial liabilities not measured at fair value	**-**	**5,446**	**5,446**				
Payable to the Management Company							
Payable to the Trustee	**-**	**182**	**182**				
Dividend payable	**-**	**35,082**	**35,082**				
Payable against redemptions of units	**-**	**2,456**	**2,456**				
Accrued expenses and other liabilities	**-**	**1,969**	**1,969**				
	-	**45,135**	**45,135**				

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

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

19. FINANCIAL RISK MANAGEMENT

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

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

19.1 Market risk

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

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

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

19.1.1 Currency risk

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

19.1.2 Interest rate risk

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

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

	Note	June 30, 2026	June 30, 2025
		--------(Rupees in 000)--------	
Variable rate instrument (financial asset)			
Bank balances	4	**376,343**	1,308,525
Term finance certificates - unlisted securities	5.1	**-**	60,000
		376,343	1,368,525
Fixed rate instruments (financial assets)			
Market Treasury Bills	5.1	**670,779**	516,016
Pakistan Investment Bonds	5.1	**2,666,862**	3,074,395
		3,337,641	3,590,411

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 11% to 13.15% per annum (June 30, 2025: 9% to 11.50% per annum), and investments in term finance certificates, the interest rate on which range between Nil per annum (June 30, 2025: 12.28% to 23.14%).

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 3.763 million (June 30, 2025: Rs.13.685 million).

b) Sensitivity analysis for fixed rate instruments

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

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 33.376 million (June 30, 2025: 35.904 million).

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

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

Particulars	June 30, 2026					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	9 - 11.25	**376,343**	**-**	**-**	**-**	**376,343**
Investments						
Government securities	10.08 - 12	**670,779**	**1,909,723**	**757,139**	**-**	**3,337,641**
Profit / mark-up receivable		**-**	**-**	**-**	**113,890**	**113,890**
Receivable against sale of investment		**382**	**-**	**-**	**-**	**382**
Deposits		**-**	**-**	**-**	**1,166**	**1,166**
		1,047,504	**1,909,723**	**757,139**	**115,056**	**3,829,422**

Particulars	June 30, 2026					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
Financial liabilities						
Payable to the Management Company		-	-	-	**5,446**	**5,446**
Payable to the Trustee		-	-	-	**182**	**182**
Dividend payable		-	-	-	**35,082**	**35,082**
Payable against redemptions of units		-	-	-	**2,456**	**2,456**
Accrued expenses and other liabilities		-	-	-	**1,969**	**1,969**
		-	-	-	**45,135**	**45,135**

Particulars	June 30, 2025					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	11- 13.15	1,308,525	-	-	-	1,308,525
Investments						
Government securities	10.85 - 10.92	-	516,016	3,074,395	-	3,590,411
Term finance securities	12.88	60,000	-	-	-	60,000
Profit / mark-up receivable		-	-	-	158,882	-
Deposits		-	-	-	1,166	1,166
		1,368,525	516,016	3,074,395	160,048	4,960,102
Financial liabilities						
Payable to the Management Company		-	-	-	10,594	10,594
Payable to the Trustee		-	-	-	276	276
Dividend payable		-	-	-	230	230
Payable against redemptions of units		-	-	-	1,063	1,063
Accrued expenses and other liabilities		-	-	-	2,028	2,028
		-	-	-	14,191	14,191

19.1.3 Price risk

Price risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Fund does not hold any security which exposes the Fund to price risk.

19.2 Credit risk

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

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

Credit risk from bank balances and investment in term finance certificate (note 5.2) is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

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

		June 30, 2026		June 30, 2025	
		Balance as per statement of assets and liabilities	**Maximum exposure to credit risk**	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Note	---------- (Rupees in '000) ----------			
Bank balances	4	**376,343**	**376,343**	1,308,525	1,308,525
Investments in government securities	5.1	**3,337,641**	**-**	3,590,411	-
Investments in term finance certificates	5.2	**-**	**-**	60,000	60,000
Profit receivable		**113,890**	**4,291**	158,882	14,974
Receivable against sale of investment		**382**	**382**	-	-
Deposits		**1,166**	**1,166**	1,166	1,166
		3,829,422	**382,182**	5,118,984	1,384,665

19.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2026 and June 30, 2025:

Name of Banks	Balances held as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	(Rupees in '000)		
Bank balances by rating category			
Allied Bank Limited	**14**	**AAA**	**PACRA**
Bank Alfalah Limited	**28**	**AAA**	**PACRA**
Habib Metro Bank Limited	**14**	**AAA**	**PACRA**
JS Bank Limited	**313**	**AA**	**PACRA**
Zarai Taraqiati Bank Limited	**1**	**AAA**	**VIS**
Samba Bank Limited	**17**	**AA**	**PACRA**
Sindh Bank Limited	**5**	**A**	**PACRA**
Soneri Bank Limited	**300**	**AA**	**PACRA**
MCB Bank Limited	**115**	**AAA**	**PACRA**
Habib Bank Limited	**346,797**	**AAA**	**VIS**
Faysal Bank Limited	**145**	**AA+**	**PACRA**
National Bank of Pakistan	**13**	**AAA**	**VIS**
HBL Microfinance Bank Limited	**26,926**	**A+**	**PACRA**

Name of Banks	Balances held as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	(Rupees in '000)		
Khushhali Microfinance Bank Limited	26	A-	VIS
U Microfinance Bank Limited	13	A+	PACRA
Mobilink Microfinance Bank Limited	10	A	PACRA
United Bank Limited	772	A+	VIS
Bank Islamic Private Limited	9	AA-	PACRA
Bank Al Habib Limited	825	AAA	PACRA
	376,343		

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

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

Rating by rating category	**June 30, 2026**	June 30, 2025
	---------- (Percentage) ----------	
AAA	**92.42**	32.86
AA+	**0.04**	-
AA	**0.17**	0.04
AA-	**0.00**	0.05
A+	**7.36**	67.05
A-	**0.01**	-
	100	100

Concentration of credit risk

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

Settlement risk

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

19.3 Liquidity risk

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

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (2025: None).

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

	Note	June 30, 2026					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		---------- (Rupees in '000) ----------					
Financial assets							
Bank balances	4	**376,343**	**-**	**-**	**-**	**-**	**376,343**
Investments	5	**-**	**670,779**	**1,909,723**	**757,139**	**-**	**3,337,641**
Profit / mark-up receivable	6	**4,291**	**-**	**73,586**	**36,013**	**-**	**113,890**
Receivable against sale of investment		**382**	**-**	**-**	**-**	**-**	**382**
Deposits		**1,166**	**-**	**-**	**-**	**-**	**1,166**
		382,182	**670,779**	**1,983,309**	**793,152**	**-**	**3,829,422**
Financial liabilities							
Payable to the Management Company	8	**5,446**	**-**	**-**	**-**	**-**	**5,446**
Payable to the Trustee	9	**182**	**-**	**-**	**-**	**-**	**182**
Dividend payable		**35,082**	**-**	**-**	**-**	**-**	**35,082**
Payable against redemptions of units		**2,456**	**-**	**-**	**-**	**-**	**2,456**
Accrued expenses and other liabilities	11	**1,969**	**-**	**-**	**-**	**-**	**1,969**
		45,135	**-**	**-**	**-**	**-**	**45,135**
On-balance sheet gap		**337,047**	**670,779**	**1,983,309**	**793,152**	**-**	**3,784,287**
Total liquidity risk sensitivity gap		**337,047**	**670,779**	**1,983,309**	**793,152**	**-**	
Cumulative liquidity risk sensitivity gap		**337,047**	**670,779**	**1,983,309**	**793,152**	**-**	

	Note	June 30, 2025					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		---------- (Rupees in '000) ----------					
Financial assets							
Bank balances	4	1,308,525	-	-	-	-	1,308,525
Investments	5	-	60,000	516,016	3,074,395	-	3,650,411
Profit / mark-up receivable	6	11,343	3,631	143,908	-	-	158,882
Deposits		1,166	-	-	-	-	1,166
		1,321,034	63,631	659,924	3,074,395	-	5,118,984
Financial liabilities							
Payable to the Management Company	8	10,594	-	-	-	-	10,594
Payable to the Trustee	9	276	-	-	-	-	276
Dividend payable		230	-	-	-	-	230
Payable against redemptions of units		1,063	-	-	-	-	1,063
Accrued expenses and other liabilities	11	2,028	-	-	-	-	2,028
		14,191	-	-	-	-	14,191
On-balance sheet gap		1,306,843	63,631	659,924	3,074,395	-	5,104,793
Total liquidity risk sensitivity gap		1,306,843	63,631	659,924	3,074,395	-	
Cumulative liquidity risk sensitivity gap		1,306,843	63,631	659,924	3,074,395	-	

20. UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

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

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

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

The Fund has maintained and complied with the requirements of minimum fund size of Rs.100 million during the current year.

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

Top brokers during the year ended June 30, 2026

1. AKD Securities Limited
2. Arif Habib Limited
3. Akd Securities Limited
4. Continental Exchange (Private) Limited.
5. Currency Market Associates (Private) Limited
6. Icon Management (Private) Limited
7. Invest One Market Limited
8. Magenta Capital (Private) Limited
9. Optimus Capital Manage
10. Summit Capital (Private)

Top brokers during the year ended June 30, 2025

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

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. No.	Name	Designation	Qualifications	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3.	Mr. Amin Mohammad	Chief Risk Officer	MBA	34
4.	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	21
5.	Ms. Nida Siddiqui	Assistant Fund Manager	MBA	2

23. PATTERN OF UNITHOLDING

Category	June 30, 2026			
	No. of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000)	---- (%) ----
Individuals	1,242	8,376,292	959,817	25.66
Retirement funds	8	4,298,704	492,577	13.17
Trusts	11	1,317,632	150,984	4.04
Foreign investors	3	8,578	983	0.03
Other corporates	11	18,637,959	2,135,675	57.10
	1,275	32,639,165	3,740,036	100

Category	June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000)	------- (%) -------
Individuals	1463	20,603,397	2,350,087	47.71
Retirement funds	5	3,594,525	410,004	8.32
Trusts	12	1,389,049	158,439	3.22
Foreign investors	4	54,048	6,165	0.13
Other corporates	15	10,467,156	1,193,916	24.24
Asset Management Company	1	6,617,085	754,765	15.32
Insurance Company	1	457,653	52,202	1.06
	1,501	43,182,913	4,925,578	100.00

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

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

S.No	Name of Director	Number of meetings		Leaves Granted	Meetings not attended
		Held	Attended		
1.	Mr. Shahid Ghaffar	9	9	-	-
2.	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3.	Mr. Khalid Malik	9	9	-	-
4.	Mr. Tariq Masaud	9	8	1	October 30, 2025
5.	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 & March 04, 2026
6.	Mr. Mir Adil Rashid	9	9	-	-
7.	Ms. Sheeza Ahmed	9	9	-	-

S.No	Name of Director	Number of meetings		Leaves Granted	Meetings not attended
		Held	Attended		
8.	Mr. Irfan Ahmed Meer***	3	2	1	April 29, 2026
9.	Dr. Sahar Awan***	3	3	-	-
10.	Mr. Rayomond H. Kotwal**	6	5	1	December 22, 2025
11.	Mr. Habib Yousuf Habib*	3	3	-	-

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

25. CORRESPONDING FIGURES

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

26. GENERAL

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

27. DATE OF AUTHORISATION FOR ISSUE

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL Money Market Fund

FUND INFORMATION

NAME OF FUND	HBL Money Market Fund
NAME OF AUDITOR	A.F Ferguson & Co.
NAME OF TRUSTEE	Central Depository Company of Pakistan Limtied (CDC)
BANKERS	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al-Falah Limited Faysal Bank Limited Allied Bank Limited Meezan Bank Limited Askari Bank Limited Samba Bank Limited Zarai Taraqia? Bank Limited United Bank Limited Sindh Bank Limited JS Bank Limited Soneri bank limited
FUND RATING	AA+(f) (VIS)

Type and Category of Fund

Open end Money Market Fund

Investment Objective and Accomplishment of Objective

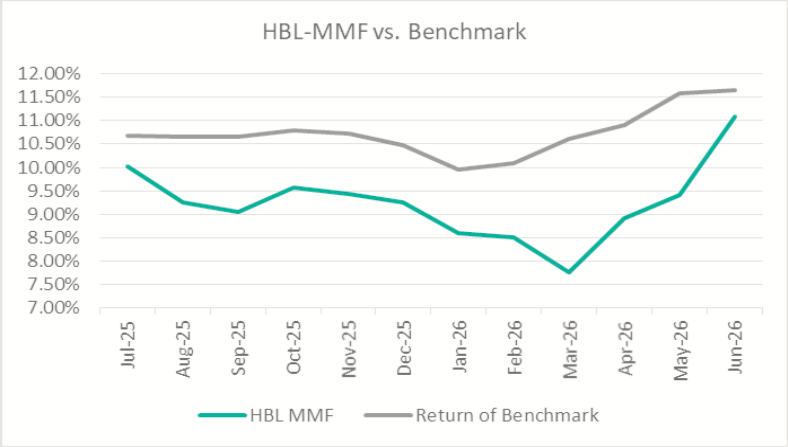
The investment objective of the Fund is to seek high liquidity and competitive return for investors by investing in low-risk securities of shorter duration and maturity. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

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

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

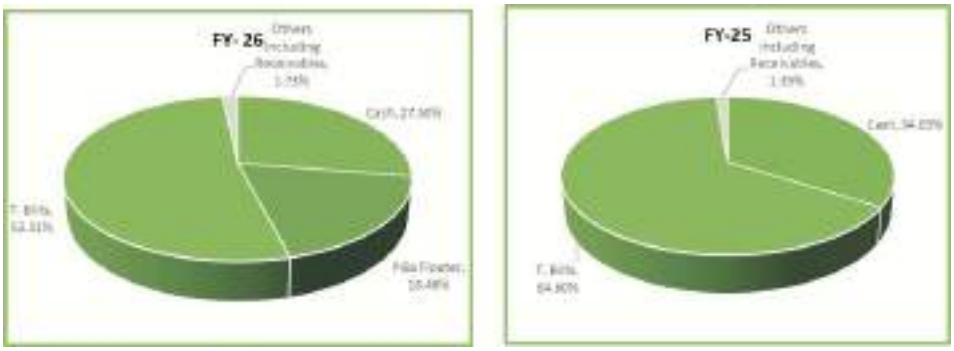
Month	HBL-MMF	Benchmark
Jun-26	11.08%	11.64%
May-26	9.42%	11.59%
Apr-26	8.92%	10.90%
Mar-26	7.77%	10.61%
Feb-26	8.51%	10.09%
Jan-26	8.61%	9.95%
Dec-25	9.25%	10.48%
Nov-25	9.44%	10.73%
Oct-25	9.56%	10.78%
Sept-25	9.05%	10.66%
Aug-25	9.26%	10.65%
Jul-25	10.03%	10.68%



Strategies and Policies employed during the Year

As at June 30, 2026, the fund's major investments were in short term Treasury Bills comprising 52.31% of total assets and as placements in DPAs making up 27.50% of total assets. HBL Money Market Fund posted an annualized return (YTD) of 9.64% against the benchmark return of 10.73% in FY26. In-line with the investment policy of the Fund, major investments were in the form of short maturity T-Bills.

Asset Allocation



Significant Changes in Asset Allocation during the Year

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

Fund Performance

The total income and net income of the Fund was Rs. 3.84 billion and Rs. 3.27 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.9148 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.65 per unit) as compared to Rs. 103.6024 per unit as on June 30, 2025, thereby giving an annualized return of 9.64%. During the period the benchmark (90% 3M PKRV & 10% 3M deposit rates) return was 10.73%. The size of Fund was Rs. 46.78 billion as on June 30, 2026 as compared to Rs.28.52 billion at the start of the year.

Market Review

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

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

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

Distribution

The Fund has distributed cash dividend up-to Rs. 9.65 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

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

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	15,022	189,474
101 - 500	1,840	407,120
501 - 1,000	423	305,085
1,001 - 10,000	1,079	5,078,357
10,001 - 100,000	1,700	64,135,588
100,001 - 500,000	550	123,896,264
500,001 - 1,000,000	113	78,103,541
1,000,001 - 5,000,000	65	122,764,010
5,000,001 and more	6	55,337,663
Total	**20,798**	**450,217,102**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL MONEY MARKET FUND

As at June 30, 2026

	For the period ended June 30, 2026	For the period ended June 30, 2025	For the period ended June 30, 2024	For the period ended June 30, 2023	For the period ended June 30, 2022	For the period ended June 30, 2021
NET ASSETS AND PRICES						
Net assets at the period end (Rs '000)	46,784,239	28,523,171	22,481,059	13,226,208	15,598,673	12,836,970
Net asset value per unit at the period end/period end(Rs)	103.8770	103.6024	103.4401	103.0279	102.8274	102.6193
Selling price/repurchasing price	105.0716	104.7938	104.6297	104.1921	103.9893	103.7789
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest selling price per unit(Rs)	114.4826	118.9555	126.0011	120.8635	114.1003	110.3250
Lowest selling price per unit(Rs)	104.7938	104.6319	104.1921	103.9898	103.8002	103.5368
Highest repurchase price per unit(Rs)	113.1810	117.6031	124.5932	119.5130	112.8254	109.0923
Lowest repurchasing price per unit(Rs)	103.6024	103.4423	103.0279	102.8278	102.6404	102.7990
RETURN (%)						
Total return	9.64%	14.05%	21.54%	16.66%	10.26%	6.84%
Income distribution	9.31%	13.89%	21.14%	16.44%	9.78%	6.75%
Capital growth	0.33%	0.16%	0.40%	0.22%	0.48%	0.09%
DISTRIBUTION						
Final dividend distributation		14.35	21.75	16.90	9.78	6.75
Interim Distributioms	9.65					
Total dividend distribution for the year/ period	9.65	14.35	21.75	16.90	9.78	6.75
AVERAGE RETURNS (%)						
Average annual return 1 year	9.64%	14.05%	21.54%	16.66%	10.26%	6.84%
Average annual return 2 year	11.82%	17.74%	19.08%	13.41%	8.54%	9.57%
Average annual return 3 year	14.97%	17.38%	16.06%	11.18%	9.80%	9.21%
Weighted average portfolio during (No. of days)	64	65	60	55	15	1
PORTFOLIO COMPOSITION (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	27.50%	35.35%	47.37%	6.10%	86.09%	99.40%
T. Bills	0.00%	64.60%	50.20%	59.91%	0.00%	0.00%
Placement with banks & DFIs	0.00%	0.00%	0.00%	8.01%	0.00%	0.00%
Government Securities	70.77%	0.00%	1.89%	25.05%	0.00%	0.00%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	6.63%	0.00%
TFC / Sukuks	0.00%	0.00%	0.29%	0.00%	5.91%	0.00%
Others including Receivables	1.73%	0.05%	0.26%	0.93%	1.37%	0.60%

Disclaimer:

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

CENTRAL DEPOSITORY COMPANY
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TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MONEY MARKET FUND

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

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

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Money Market Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Money Market Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 12,990.448 million and investments of the Fund amounted to Rs. 34,200.918 million as at June 30, 2026. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 29, 2026
UDIN: AR202610061frFV2Z7wc

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

	Note	2026	2025
ASSETS		-------- Rupees in '000 --------	
Bank balances	4	12,990,448	10,342,095
Investments	5	34,200,918	18,903,146
Profit receivable	6	34,532	4,635
Advance, deposit and prepayments	7	10,390	10,365
Total assets		47,236,288	29,260,241
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	8	54,085	80,433
Payable to Central Depository Company of Pakistan Limited - Trustee	9	2,221	2,185
Payable to the Securities and Exchange Commission of Pakistan	10	2,634	2,590
Dividend payable		2,875	-
Unclaimed dividend		1,731	1,731
Accrued expenses and other liabilities	11	388,503	650,131
Total liabilities		452,049	737,070
NET ASSETS		46,784,239	28,523,171
UNIT HOLDERS' FUNDS (AS PER STATEMENT ATTACHED)		46,784,239	28,523,171
CONTINGENCIES AND COMMITMENTS	12		
		------- Number of units -------	
NUMBER OF UNITS IN ISSUE	13	450,217,102	275,313,777
		------- Rupees -------	
NET ASSET VALUE PER UNIT	3.7	103.9148	103.6024

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	2026	2025
INCOME		-------- Rupees in '000 --------	
Interest / profit earned	14	2,812,698	5,312,271
Profit on savings accounts with banks		1,036,536	364,503
(Loss) / gain on sale of investments - net		(14,902)	16,246
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	11,358	14,335
		(3,543)	30,581
Total income		3,845,691	5,707,355
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	8.1 & 8.2	517,905	820,570
Selling and marketing expenses (including Sindh sales tax thereon)	8.3	-	23,396
Remuneration of Central Depository Company of Pakistan Limited-Trustee (including Sindh sales tax thereon)	9.1 & 9.2	22,787	24,885
Fee to the Securities and Exchange Commission of Pakistan	10.1	27,021	29,507
Securities transaction costs		233	6
Settlement and bank charges		1,798	2,449
Auditor's remuneration	15	1,772	1,492
Printing and stationary		-	127
Fees and subscription		362	323
Total expenses		571,878	902,755
Net income for the year before taxation		3,273,813	4,804,600
Taxation	16	-	-
Net income for the year after taxation		3,273,813	4,804,600
Allocation of net income for the year			
Net income for the year after taxation		3,273,813	4,804,600
Income already paid on redemption of units		(2,396,740)	(3,333,025)
		877,072	1,471,575
Accounting income available for distribution			
- Relating to capital gain		-	30,581
- Excluding capital gain		877,072	1,440,994
		877,072	1,471,575

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	2026	2025
	------- Rupees in '000 -------	
Net income for the year after taxation	3,273,813	4,804,600
Other comprehensive income for the year	-	-
Total comprehensive income for the year	3,273,813	4,804,600

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	---------- Rupees in '000 ----------					
Net assets at the beginning of the year	28,188,172	334,999	28,523,171	22,315,281	165,778	22,481,059
Issuance of 1,312,815,938 units (2025: 1,074,244,686 units)						
- Capital value (at net asset value per unit at the beginning of the year)	136,010,882	-	136,010,882	111,119,978	-	111,119,978
- Element of income	2,083,960	-	2,083,960	9,362,303	-	9,362,303
Total proceeds on issuance of units	138,094,842	-	138,094,842	120,482,281	-	120,482,281
Redemption of 1,137,912,613 units (2025: 1,016,264,935 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(117,890,478)	-	(117,890,478)	(105,122,547)	-	(105,122,547)
- Element of loss	(1,893,521)	(2,396,740)	(4,290,261)	(8,335,898)	(3,333,025)	(11,668,923)
Total payment on redemption of units	(119,783,998)	(2,396,740)	(122,180,739)	(113,458,445)	(3,333,025)	(116,791,470)
Total comprehensive income for the year	-	3,273,813	3,273,813	-	4,804,600	4,804,600
Final distribution for the year ended June 30, 2026 (cash distribution @ Rs 9.65 per unit declared on June 18, 2026)	-	(783,177)	(783,177)	-	-	-
Final distribution for the year ended June 30, 2025 (cash distribution @ Rs 14.35 per unit declared on June 25, 2025)	-	-	-	-	(1,302,354)	(1,302,354)
Refund of capital	(143,671)	-	(143,671)	(1,150,945)	-	(1,150,945)
Net income for the year less distribution	(143,671)	2,490,635	2,346,965	(1,150,945)	3,502,246	2,351,301
Net assets at the end of the year	46,355,345	428,894	46,784,239	28,188,172	334,999	28,523,171
Undistributed income brought forward comprising of:						
- Realised income		320,664			151,238	
- Unrealised income		14,335			14,540	
		334,999			165,778	
Accounting income available for distribution						
- Relating to capital gains		-			30,581	
- Excluding capital gains		877,072			1,440,994	
		877,072			1,471,575	
Distribution during the year		(783,177)			(1,302,354)	
Undistributed income carried forward		428,894			334,999	
Undistributed income carried forward comprising of:						
- Realised income		417,535			320,664	
- Unrealised income		11,359			14,335	
		428,894			334,999	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			103.6024			103.4401
Net asset value per unit at the end of the year			103.9148			103.6024

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		------ Rupees in '000 ------	
Net income for the year before taxation		3,273,813	4,804,600
Adjustments for:			
Interest / profit earned	14	(2,812,698)	(5,312,271)
Profit on savings accounts with banks		(1,036,537)	(364,503)
Loss / (gain) on sale of investments - net		14,902	(16,246)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.5	(11,358)	(14,335)
		(571,878)	(902,755)
Increase in assets			
Investments - net		(21,033,395)	(2,457,114)
Advance, deposit and prepayments		(25)	(6,633)
		(21,033,421)	(2,463,747)
(Decrease) / increase in liabilities			
Payable to HBL Asset Management Limited - Management Company		(26,348)	(9,749)
Payable to Central Depository Company of Pakistan Limited - Trustee		36	943
Payable to the Securities and Exchange Commission of Pakistan		44	1,096
Accrued expenses and other liabilities		(261,628)	163,728
		(287,896)	156,018
Profit received on bank deposits		1,006,641	410,154
Interest received on investments		2,812,698	5,317,418
Net cash (used in) / generated from operating activities		(18,073,856)	2,517,088
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net		137,951,171	119,331,336
Payment against redemption and conversion of units		(122,180,739)	(116,791,470)
Dividend paid		(780,303)	(1,302,353)
Net cash generated from financing activities		14,990,129	1,237,513
Net (decrease) / increase in cash and cash equivalents during the year		(3,083,726)	3,754,601
Cash and cash equivalents at beginning of the year		16,074,174	12,319,573
Cash and cash equivalents at end of the year	18	12,990,448	16,074,174

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Money Market Fund (the Fund) is an open-ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on March 18, 2010 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on April 9, 2010. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act.

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

1.3 The Fund is an open ended mutual fund categorised as 'Money Market Scheme' and offers units for public subscription on a continuous basis. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at par from July 12, 2010 to July 14, 2010.

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

1.5 VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating at 'AM1' December 31, 2025 (June 30, 2025: 'AM1' dated December 31, 2024) and the outlook on the assigned rating remains 'Stable' (2025: 'Stable') and the Fund stability rating has been reaffirmed at AA+(f) dated December 29, 2025 (2025 : AA+(f) dated March 3, 2025). The rating reflects the Management Company's adequate corporate governance framework with a well structured Board and Committees, experienced management team and adherence to best governance practices, deriving sustained growth.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for the following:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the 'Income Statement' with certain additional disclosures in the financial statements; and

- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

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

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (Notes 3.3 and 5) and provision for Federal excise duty (Note 11.1).

2.5 Accounting convention

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

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Initial recognition and measurement

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

3.3.2 Classification and subsequent measurement

Debt instrument

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

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

based on the business model of the entity.

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

3.3.3 Impairment (other than debt securities)

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

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

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

3.3.4 Impairment loss on debt securities

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

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

3.3.5 Regular way contracts

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

3.3.6 Derecognition

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

3.4 Financial liabilities

3.4.1 Classification and subsequent measurement

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

3.4.2 Derecognition

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

3.5 Offsetting of financial assets and financial liabilities

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

3.6 Provisions

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

3.7 Net asset value per unit

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

3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management company / distributors during business hours of the day when the application is received. The offer price represents the net assets value of the units as of the close of that business day plus the allowable sales load, provision for duties and charges and provision for transaction costs, if applicable. The sales load is payable to the Management Company / distributors.

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

3.9 Distribution to unit holders

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

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

3.10 Element of income / (loss) on issuance / (redemption) of units

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

3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are recorded at the date at which the transaction takes place;
- Income from investments in corporate sukuk certificates, government securities and letters of placements is recognised on an accrual basis using effective interest method except for the securities which are classified as non-performing asset under Circular 33 of 2012 issued by SECP for which the profits are recorded on cash basis;
- Unrealised gains / (losses) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are recorded in the year in which they arise; and
- Interest income on bank deposits and term deposit receipts is recognised on time proportion basis using the effective yield method.

3.12 Expenses

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

3.13 Taxation

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

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

4 BANK BALANCES	Note	2026	2025
		-------- Rupees in '000 --------	
Savings accounts	4.1	12,990,448	10,342,095

4.1 These include a balance of Rs. 4,665.16 million (2025: Rs. 2,204.27 million) with Habib Bank Limited (a related party) and this account carries profit at the rate of 13.15% (2025: 11.50%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 9.75% to 11.50% (2025: 9.00% to 10.95%) per annum.

5 INVESTMENTS	Note	2026	2025
		-------- Rupees in '000 --------	
At fair value through profit or loss			
- Government securities - Market Treasury Bills	5.1	25,280,437	18,903,146
- Government securities - Pakistan Investment Bonds	5.2	8,920,481	-
- Term deposit receipts	5.3	-	-
		34,200,918	18,903,146

5.1 Government securities - Market Treasury Bills

Name of the security	Issue date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation	total investments of the Fund	net assets of the Fund
									---------- (%) ----------	
Market Treasury Bills - 1 - month										
Market treasury bills	12-Jun-25	1,850,000	-	1,850,000	-	-	-	-	-	-
Market treasury bills	26-Jun-25	500,000	-	500,000	-	-	-	-	-	-
Market treasury bills	10-Jul-25	-	2,189,300	2,189,300	-	-	-	-	-	-
Market treasury bills	24-Jul-25	-	125,000	125,000	-	-	-	-	-	-
Market treasury bills	7-Aug-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	2-Oct-25	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	16-Oct-25	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	27-Nov-25	-	730,000	730,000	-	-	-	-	-	-
Market treasury bills	8-Jan-26	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	22-Jan-26	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	17-Mar-26	-	8,000,000	8,000,000	-	-	-	-	-	-
Market Treasury Bills - 3 - months										
Market treasury bills	April 17, 2025	3,400,000	-	3,400,000	-	-	-	-	-	-
Market treasury bills	June 26, 2025	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	July 10, 2025	-	2,350,000	2,350,000	-	-	-	-	-	-
Market treasury bills	August 7, 2025	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	January 9, 2026	-	1,500,000	1,500,000	-	-	-	-	-	-
Market treasury bills	January 8, 2026	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	January 22, 2026	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	March 17, 2026	-	2,250,000	2,250,000	-					
Market treasury bills	April 30, 2026	-	3,908,000	3,908,000	-					
Market treasury bills	May 14, 2026	-	1,000,000	1,000,000	-					
Market Treasury Bills - 6 - months										
Market treasury bills	April 17, 2025	4,000,000	-	4,000,000	-	-	-	-	-	-

Name of the security	Issue date	Face value (Rupees in '000)				Rupees in '000			Market value as a percentage of	
		As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised (diminution) / appreciation	total investments of the Fund	net assets of the Fund
									(%)	
Market treasury bills	May 2, 2025	2,532,025	-	2,532,025	-	-	-	-	-	-
Market treasury bills	March 20, 2025	500,000	-	500,000	-	-	-	-	-	-
Market treasury bills	May 15, 2025	500,000	-	500,000	-	-	-	-	-	-
Market treasury bills	May 29, 2025	500,000	-	500,000	-	-	-	-	-	-
Market treasury bills	June 12, 2025	1,500,000	-	1,500,000	-	-	-	-	-	-
Market treasury bills	June 26, 2025	-	2,470,000	2,470,000	-	-	-	-	-	-
Market treasury bills	February 6, 2025	-	209,400	209,400	-	-	-	-	-	-
Market treasury bills	January 9, 2025	-	1,774,595	1,774,595	-	-	-	-	-	-
Market treasury bills	July 10, 2025	-	4,500,000	4,500,000	-	-	-	-	-	-
Market treasury bills	July 24, 2025	-	250,000	250,000	-	-	-	-	-	-
Market treasury bills	January 22, 2026	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	January 8, 2026	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	February 6, 2026	-	3,500,000	3,500,000	-	-	-	-	-	-
Market treasury bills	February 19, 2026	-	850,000	-	850,000	837,743	836,735	(1,008)	2.45%	1.79%
Market treasury bills	March 5, 2026	-	370,000	-	370,000	363,078	362,635	(443)	1.06%	0.78%
Market treasury bills	April 30, 2026	-	6,250,000	-	6,250,000	6,017,722	6,020,019	2,297	17.60%	12.87%
Market Treasury Bills - 1 - year										
Market treasury bills	November 28, 2024	2,750,000	-	2,750,000	-	-	-	-	-	-
Market treasury bills	October 3, 2024	1,380,000	-	1,380,000	-	-	-	-	-	-
Market treasury bills	December 26, 2024	-	1,250,000	1,250,000	-	-	-	-	-	-
Market treasury bills	January 9, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Market treasury bills	April 17, 2025	-	6,315,800	6,315,800	-	-	-	-	-	-
Market treasury bills	August 7, 2025	-	1,057,800	1,057,800	-	-	-	-	-	-
Market treasury bills	October 16, 2025	-	9,578,100	2,000,000	7,578,100	7,327,823	7,330,910	3,087	21.43%	15.67%
Market treasury bills	January 23, 2025	-	1,900,000	1,900,000	-	-	-	-	-	-
Market treasury bills	May 15, 2025	-	650,000	650,000	-	-	-	-	-	-
Market treasury bills	May 2, 2025	-	1,750,000	1,750,000	-	-	-	-	-	-
Market treasury bills	April 3, 2025	-	2,000,000	2,000,000	-	-	-	-	-	-
Market treasury bills	April 30, 2026	-	2,500,000	2,500,000	-	-	-	-	-	-
Market treasury bills	October 30, 2025	-	4,975,511	4,596	4,970,915	4,784,546	4,788,000	3,454	14.00%	10.23%
Market treasury bills	July 10, 2025	-	6,192,500	1,100,000	5,092,500	5,082,239	5,079,682	(2,557)	14.85%	10.86%
Market treasury bills	July 24, 2025	-	375,000	-	375,000	372,174	372,408	234	1.09%	0.80%
Market treasury bills	September 4, 2025	-	500,000	-	500,000	490,565	490,048	(518)	1.43%	1.05%
Total as at June 30, 2026		**19,412,025**	**96,271,006**	**89,696,516**	**25,986,515**	**25,275,890**	**25,280,437**	**4,547**	**73.91%**	**54.05%**
Total as at June 30, 2025		**12,299,880**	**186,215,935**	**179,103,790**	**19,412,025**	**18,888,811**	**18,903,146**	**14,335**		

5.1.1 These carry yield ranging from 9.93% and 12.08% per annum. These have maturities upto October 29, 2026.

5.2 Government securities - Pakistan Investment Bonds

Issue date	Tenor	Face value (Rupees in '000)				Rupees in '000			Market Value as a percentage of	
		As at July 1, 2025	Purchased during the year	Disposed of / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation	total investments of the Fund	net assets of the Fund
September 20, 2024	2 years	-	2,000,000	2,000,000	-	-	-	-	-	-
September 20, 2024	2 years	-	250,000	250,000	-	-	-	-	-	-
September 20, 2024	2 years	-	1,100,000	-	1,100,000	1,071,560	1,072,408	848	3.14%	2.29%
September 20, 2024	2 years	-	6,550,000	-	6,550,000	6,380,652	6,385,700	5,048	18.67%	13.65%
September 20, 2024	2 years	-	1,500,000	-	1,500,000	1,461,458	1,462,374	916	4.28%	3.13%
May 6, 2021	5 years	-	728,000	728,000	-	-	-	-	-	-
May 6, 2021	5 years	-	5,000,000	5,000,000	-	-	-	-	-	-
May 6, 2021	5 years	-	6,500,000	6,500,000	-	-	-	-	-	-
October 22, 2020	5 years	-	1,600,000	1,600,000	-	-	-	-	-	-
Total as at June 30, 2026						**8,913,669**	**8,920,481**	**6,812**	**26.09%**	**19.07%**
Total as at June 30, 2025						-	-	-		

5.2.1 These carry yield ranging from 11.74% and 11.81% per annum. These have maturities upto September 20, 2026.

5.3 Term Deposit Receipts

Name of the investee company	Issue date	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
									total investments of the Fund	net assets of the fund
		---%---	---------- (Rupees in '000) ----------						----------%----------	
Pak Brunei Investment Company Limited	2-Jul-25	11.25%	-	2,500,000	2,500,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	2-Jul-25	11.20%	-	2,500,000	2,500,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	3-Jul-25	10.95%	-	2,500,767	2,500,767	-	-	-	-	-
Pak Brunei Investment Company Limited	3-Jul-25	11.10%	-	2,500,771	2,500,771	-	-	-	-	-
Pak Brunei Investment Company Limited	18-Jul-25	11.10%	-	3,000,000	3,000,000	-	-	-	-	-
JS Bank Limited	7-Aug-25	11.00%	-	3,800,000	3,800,000	-	-	-	-	-
JS Bank Limited	8-Aug-25	11.00%	-	1,300,000	1,300,000	-	-	-	-	-
United Bank Limited	15-Aug-25	10.95%	-	4,000,000	4,000,000	-	-	-	-	-
JS Bank Limited	22-Aug-25	11.00%	-	1,500,000	1,500,000	-	-	-	-	-
JS Bank Limited	1-Sep-25	11.00%	-	1,500,000	1,500,000	-	-	-	-	-
Pak Brunei Investment Company Limited	5-Sep-25	11.05%	-	1,500,000	1,500,000	-	-	-	-	-
Pak Brunei Investment Company Limited	11-Sep-25	11.00%	-	2,000,000	2,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	15-Sep-25	11.05%	-	4,000,000	4,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	17-Sep-25	11.00%	-	1,365,000	1,365,000	-	-	-	-	-
Pak Brunei Investment Company Limited	18-Sep-25	11.00%	-	3,070,000	3,070,000	-	-	-	-	-
JS Bank Limited	19-Sep-25	11.00%	-	4,000,000	4,000,000	-	-	-	-	-
JS Bank Limited	22-Sep-25	11.00%	-	2,000,000	2,000,000	-	-	-	-	-

Name of the investee company	Issue date	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
									total investments of the Fund	net assets of the fund
		---%---	---------- (Rupees in '000) ----------						----------%----------	
Pak Oman Investment Company Limited	23-Sep-25	11.00%	-	4,000,000	4,000,000	-	-	-	-	-
Pak Libya Holding Company Limited	24-Sep-25	11.15%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	24-Sep-25	11.15%	-	1,300,000	1,300,000	-	-	-	-	-
Pak Oman Investment Company Limited	25-Sep-25	11.40%	-	4,000,000	4,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	13-Oct-25	11.00%	-	3,500,000	3,500,000	-	-	-	-	-
JS Bank Limited	14-Oct-25	11.10%	-	3,250,000	3,250,000	-	-	-	-	-
JS Bank Limited	15-Oct-25	11.10%	-	3,250,000	3,250,000	-	-	-	-	-
Pak Brunei Investment Company Limited	20-Oct-25	11.10%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	21-Oct-25	11.05%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	24-Oct-25	11.15%	-	2,500,000	2,500,000	-	-	-	-	-
Pak Brunei Investment Company Limited	27-Oct-25	11.05%	-	1,000,000	1,000,000	-	-	-	-	-
United Bank Limited	30-Oct-25	11.05%	-	3,500,000	3,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	31-Oct-25	11.02%	-	3,500,000	3,500,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	31-Oct-25	11.06%	-	1,040,000	1,040,000	-	-	-	-	-
United Bank Limited	3-Nov-25	11.00%	-	3,500,000	3,500,000	-	-	-	-	-
United Bank Limited	4-Nov-25	11.00%	-	3,500,000	3,500,000	-	-	-	-	-
United Bank Limited	5-Nov-25	11.00%	-	3,500,000	3,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	5-Nov-25	11.00%	-	3,500,000	3,500,000	-	-	-	-	-
United Bank Limited	6-Nov-25	11.15%	-	3,500,000	3,500,000	-	-	-	-	-
Pak Oman Investment Company Limited	6-Nov-25	11.15%	-	3,500,000	3,500,000	-	-	-	-	-
JS Bank Limited	6-Nov-25	11.10%	-	1,400,000	1,400,000	-	-	-	-	-
JS Bank Limited	7-Nov-25	11.00%	-	3,501,069	3,501,069	-	-	-	-	-
Pak Kuwait Investment Company Limited	14-Nov-25	11.00%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	21-Nov-25	11.00%	-	3,000,000	3,000,000	-	-	-	-	-
JS Bank Limited	21-Nov-25	10.96%	-	3,250,000	3,250,000	-	-	-	-	-
Pak Brunei Investment Company Limited	21-Nov-25	11.00%	-	1,000,000	1,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	28-Nov-25	10.95%	-	3,300,000	3,300,000	-	-	-	-	-
United Bank Limited	28-Nov-25	10.95%	-	3,250,000	3,250,000	-	-	-	-	-
Pak Brunei Investment Company Limited	1-Dec-25	11.05%	-	2,100,000	2,100,000	-	-	-	-	-
Pak Brunei Investment Company Limited	2-Dec-25	11.00%	-	2,100,636	2,100,636	-	-	-	-	-
Pak Brunei Investment Company Limited	3-Dec-25	11.00%	-	2,101,269	2,101,269	-	-	-	-	-
Pak Brunei Investment Company Limited	4-Dec-25	10.95%	-	2,101,902	2,101,902	-	-	-	-	-
Pak Oman Investment Company Limited	5-Dec-25	10.95%	-	3,012,658	3,012,658	-	-	-	-	-
Pak Oman Investment Company Limited	8-Dec-25	10.97%	-	900,000	900,000	-	-	-	-	-
United Bank Limited	15-Dec-25	10.95%	-	3,450,000	3,450,000	-	-	-	-	-
United Bank Limited	16-Dec-25	10.50%	-	3,400,000	3,400,000	-	-	-	-	-
United Bank Limited	17-Dec-25	10.50%	-	3,400,000	3,400,000	-	-	-	-	-
Pak Brunei Investment Company Limited	18-Dec-25	10.50%	-	3,400,000	3,400,000	-	-	-	-	-
United Bank Limited	18-Dec-25	10.70%	-	3,400,000	3,400,000	-	-	-	-	-
Pak Oman Investment Company Limited	19-Dec-25	10.30%	-	3,025,311	3,025,311	-	-	-	-	-
Pak Oman Investment Company Limited	19-Dec-25	10.30%	-	350,000	350,000	-	-	-	-	-
Pak Brunei Investment Company Limited	19-Dec-25	10.30%	-	3,400,978	3,400,978	-	-	-	-	-
Pakistan Mortgage Refinance Company	26-Dec-25	10.55%	-	1,000,000	1,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	26-Dec-25	10.55%	-	3,400,000	3,400,000	-	-	-	-	-
United Bank Limited	6-Jan-26	10.50%	-	3,200,000	3,200,000	-	-	-	-	-
Pak Brunei Investment Company Limited	6-Jan-26	10.45%	-	3,200,000	3,200,000	-	-	-	-	-
Saudi - Pak Industrial & Agricultural Investment Company Limited	8-Jan-26	10.30%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	8-Jan-26	10.25%	-	3,200,000	3,200,000	-	-	-	-	-

Name of the investee company	Issue date	Profit rate	As at July 1, 2025	Placed during the year	Matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Market value as a percentage of	
									total investments of the Fund	net assets of the fund
		---%---	---------- (Rupees in '000) ----------						----------%----------	
National Bank of Pakistan	8-Jan-26	10.30%	-	3,200,000	3,200,000	-	-	-	-	-
Pak Oman Investment Company Limited	16-Jan-26	10.25%	-	3,200,000	3,200,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	16-Jan-26	10.25%	-	3,200,000	3,200,000	-	-	-	-	-
Pakistan Leasing & Housing Corporation Limited	27-Jan-26	10.50%	-	2,850,000	2,850,000	-	-	-	-	-
Pak Brunei Investment Company Limited	30-Jan-26	10.45%	-	3,200,000	3,200,000	-	-	-	-	-
Pak Oman Investment Company Limited	2-Feb-26	10.45%	-	3,200,000	3,200,000	-	-	-	-	-
Pak Brunei Investment Company Limited	2-Feb-26	10.45%	-	3,000,000	3,000,000	-	-	-	-	-
Arif Habib Limited	6-Feb-26	10.44%	-	3,200,000	3,200,000	-	-	-	-	-
Samba Bank Limited	10-Feb-26	10.45%	-	995,000	995,000	-	-	-	-	-
Pak Oman Investment Company Limited	13-Feb-26	10.45%	-	3,210,078	3,210,078	-	-	-	-	-
Pak Kuwait Investment Company Limited	20-Feb-26	10.44%	-	3,212,814	3,212,814	-	-	-	-	-
Pak Oman Investment Company Limited	27-Feb-26	10.45%	-	3,222,945	3,222,945	-	-	-	-	-
Pakistan Mortgage Refinance Company Limited	4-Mar-26	10.50%	-	982,000	982,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	6-Mar-26	10.45%	-	2,466,000	2,466,000	-	-	-	-	-
Saudi - Pak Industrial & Agricultural Investment Company Limited	12-Mar-26	10.50%	-	2,600,000	2,600,000	-	-	-	-	-
Pak Brunei Investment Company Limited	13-Mar-26	10.50%	-	3,033,497	3,033,497	-	-	-	-	-
Pak Oman Investment Company Limited	13-Mar-26	10.45%	-	3,235,863	3,235,863	-	-	-	-	-
Pakistan Leasing & Housing Corporation Limited	13-Mar-26	10.55%	-	2,500,000	2,500,000	-	-	-	-	-
Pakistan Mortgage Refinance Company Limited	17-Mar-26	10.60%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Kuwait Investment Company Limited	27-Mar-26	9.85%	-	3,000,000	3,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	4-May-26	11.50%	-	2,000,000	2,000,000	-	-	-	-	-
Pakistan Mortgage Refinance Company Limited	4-May-26	11.50%	-	1,000,000	1,000,000	-	-	-	-	-
Pak Oman Investment Company Limited	5-May-26	11.51%	-	1,000,000	1,000,000	-	-	-	-	-
Pak Brunei Investment Company Limited	6-May-26	11.45%	-	3,500,000	3,500,000	-	-	-	-	-
JS Bank Limited	8-May-26	11.40%	-	1,000,000	1,000,000	-	-	-	-	-
JS Bank Limited	15-May-26	11.43%	-	990,000	990,000	-	-	-	-	-
Pak Oman Investment Company Limited	22-May-26	11.45%	-	3,016,703	3,016,703	-	-	-	-	-
Pak Brunei Investment Company Limited	22-May-26	11.48%	-	3,400,000	3,400,000	-	-	-	-	-
Burj Capital Pakistan	25-May-26	11.50%	-	1,500,000	1,500,000	-	-	-	-	-
Pak Brunei Investment Company Limited	5-Jun-26	11.50%	-	3,200,000	3,200,000	-	-	-	-	-
JS Bank Limited	1-Jun-26	11.44%	-	1,400,000	1,400,000	-	-	-	-	-
Pak Brunei Investment Company Limited	1-Jun-26	11.45%	-	1,000,000	1,000,000	-	-	-	-	-
Total as at June 30, 2026							-	-		
Total as at June 30, 2025							-	-		

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

	Note	2026	2025
		----- Rupees in '000 -----	
Market value of investments	5.1, 5.2 & 5.3	34,200,918	18,903,146
Less: carrying value of investments	5.1, 5.2 & 5.3	(34,189,559)	(18,888,811)
		11,359	14,335

6 PROFIT RECEIVABLE

Profit receivable on:		
savings accounts with banks	34,532	4,635
	34,532	4,635

6.1 These include a profit receivable amounting to Rs. 31.85 million (2025: Rs. 4.54 million) from Habib Bank Limited (a related party).

7 ADVANCE, DEPOSIT AND PREPAYMENTS	Note	2026	2025
		----- Rupees in '000 -----	
Security deposit with:			
- Central Depository Company of Pakistan Limited		100	100
Prepayments of the fund rating and listing fee		143	118
Advance tax	7.1	10,147	10,147
		10,390	10,365

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, during the current year and prior years, withholding taxes on profit on debt securities and profit on savings accounts with banks paid to the Fund were deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdee. The tax withheld on profit on debt securities and profit on savings accounts with banks amounts to Rs. 10.15 million (2025: Rs. 10.15 million).

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

8 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026	2025
		------ Rupees in '000 ------	
Remuneration payable	8.1	43,906	60,427
Sindh sales tax payable on remuneration of the Management Company	8.2	6,586	9,064
Sales load payable		3,593	10,942
		54,085	80,433

8.1 As per regulation 61 of the NBFC Regulations 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of the management fee as disclosed in the offering document and subject to a capping of 1.25% for a collective investment scheme categorised as an 'Money Market Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.25% (2025: 1.50% to 1.75%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

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

8.3 The SECP, vide S.R.O.600(I)/2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to selling and marketing services was excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expenses for the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company charged expenses related to selling and marketing services at the rates ranging from 0.00% to 0.70% per annum on the daily net assets of the Fund.

9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026	2025
		------ Rupees in '000 ------	
Remuneration payable to the Trustee	9.1	1,932	1,900
Sindh sales tax payable on remuneration of the Trustee	9.2	290	285
		2,221	2,185

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

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

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

		Note	2026	2025
10	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**		------ (Rupees in '000) ------	
	Fee payable	10.1	2,634	2,590

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay a non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Accordingly, the Fund has charged the SECP fee at the rate of 0.075% (2025: 0.075%) per annum of the daily net assets during the year. Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		Note	2026	2025
11	**ACCRUED EXPENSES AND OTHER LIABILITIES**		------ (Rupees in '000) ------	
	Provision for federal excise duty	11.1	41,211	41,211
	Auditor's remuneration payable		635	646
	Withholding tax payable		238,337	310,072
	Capital gain tax payable		104,185	296,127
	Zakat payable		3,271	1,633
	Brokerage payable		484	442
	Settlement and bank charges		381	-
			388,503	650,131

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 41.211 million (2025: 41.211 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Re 0.09 (2025: Re. 0.15) per unit.

12 CONTINGENCIES AND COMMITMENTS

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

13 NUMBER OF UNITS IN ISSUE

	2026	2025
	--------- Number of units ---------	
Units in issue at the beginning of the year	275,313,777	217,334,026
Units issued during the year	1,312,815,938	1,074,244,686
Units redeemed during the year	(1,137,912,613)	(1,016,264,935)
Total units in issue at the end of the year	450,217,102	275,313,777

14 INTEREST / PROFIT EARNED

	2026	2025
	------ (Rupees in '000) ------	
Interest / profit on:		
Government securities - Market Treasury Bills	2,006,237	5,105,789
Government securities - Pakistan Investment Bonds	158,278	-
Term deposits receipts	648,183	-
Corporate sukuk certificates	-	2,448
Letter of placements	-	135,969
GOP Ijarah sukuk	-	68,065
	2,812,698	5,312,271

15 AUDITOR'S REMUNERATION

Annual audit fee	751	560
Half yearly review	322	373
Certification and other services	353	299
Out of pocket expenses and Sindh sales tax	346	260
	1,772	1,492

16 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

17 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 2.00% for a collective investment scheme categorised as an "Money Market Scheme", applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 to these financial statements.

18 CASH AND CASH EQUIVALENT

	Note	2026	2025
		--------- (Rupees in '000) ---------	
Bank balances	4	12,990,448	10,342,095
Government securities - Market Treasury Bills	5.1	-	5,732,079
		12,990,448	16,074,174

19 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

	2026	2025
19.6 Transactions during the year	-------- Rupees in '000 --------	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company (including Sindh sales tax thereon)	517,905	820,570
Selling and marketing expenses (including Sindh sales tax thereon)	-	23,396
Issuance of nil (2025: 1,872,894) units	-	200,702
Redemption of nil (2025: 1,872,894) units	-	220,124
Habib Bank Limited - Sponsor		
Bank charges paid	1,752	1,689
Profit on savings accounts with banks	261,082	234,611
Purchase of Market Treasury Bills	8,827,619	6,804,989
Sale of Market Treasury Bills	-	29,071,881
Purchase of Pakistan Investment Bonds	1,613,521	-
Issuance of 399 (2025: nil) units	41	-
HBL Micro Finance Bank Limited - Associated Undertaking		
Purchase of Market Treasury Bills	-	1,403
Sale of Market Treasury Bills	-	2,989,629
Habib Bank Limited - Treasury Division		
Issuance of nil (2025: 323) units	-	36
Redemption of nil (2025: 323) units	-	38
HBL Asset Management Limited Employees Gratuity Fund - Associated Undertaking		
Dividend paid	329	429
Issuance of 2,252 (2025: 72) units	329	8
HBL Asset Management Limited Employees Provident Fund - Associated Undertaking		
Dividend paid	1,758	2,296
Issuance of 12,050 (2025: 56,235) units	1,758	6,028

	2026	2025
	-------- Rupees in '000 --------	
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	22,787	24,885
Member of Karachi Bar Association - Associated Undertaking		
Dividend paid	12	-
Issuance of 48 (2025: nil) units	12	-
Mutal Fund Association of Pakistan - Associated Undertaking		
Issuance: 383 (2025: nil) units	41	-
Redemption: 384 (2025: nil) units	42	-
Pakistan Petroleum Limited - Associated Undertaking		
Dividend paid*	-	-
Issuance of 1 (2025: nil) units*	-	-
CDC Trustee HBL Cash Fund - Fund under common management		
Purchase of Market Treasury Bills	11,048,813	2,260
Sale of Market Treasury Bills	9,572,024	950
Purchase of Pakistan Investment Bonds	6,366,810	-
Sale of Pakistan Investment Bonds	2,182,406	-
CDC Trustee HBL Pension Fund - Fund under common management		
Purchase of Market Treasury Bills	-	210
CDC Trustee HBL - Total Treasury Exhange Traded Fund - Fund under common management		
Purchase of Market Treasury Bills	-	372
CDC Trustee HBL Financial Sector Income Fund - Fund under common management		
Purchase of Market Treasury Bills	-	300
CDC Trustee HBL Financial Sector Income Fund Plan I - Fund under common management		
Purchase of Pakistan Investment Bonds	1,460,964	-
CDC Trustee HBL KPK Pension - Money Market Sub Fund - Fund under common management		
Purchase of Market Treasury Bills	-	9
CDC Trustee HBL Government Securities Fund- Fund under common management		
Purchase of Market Treasury Bills	946,247	-
CDC Trustee HBL Income Fund- Fund under common management		
Purchase of Pakistan Investment Bonds	1,311,053	-

	2026	2025
	-------- Rupees in '000 --------	
CDC Trustee HBL Regular Income Fund-		
Fund under common management		
Purchase of Market Treasury Bills	106,462	-
Directors, executives and key management personnel		
Issuance of 4,599,193 (2025: 3,012,258) units	491,514	343,099
Redemption of 3,978,066 (2025: 3,100,085) units	427,648	352,175
Dividend reinvestment of 152 (2025: nil) units	22	-
Dividend paid	29	3,383

19.7 Balance outstanding as at year end

HBL Asset Management Limited - Management Company		
Remuneration payable	43,906	60,427
Sindh sales tax payable on remuneration of the Management Company	6,586	9,064
Sales load payable	3,593	10,942
Habib Bank Limited - Sponsor		
Bank balance	4,665,157	2,204,271
Profit receivable on savings accounts with bank	34,835	4,845
Outstanding: 4,683 (2025: 4,284) units	487	444
HBL Asset Management Limited Employees		
Gratuity Fund - Associated Undertaking		
Outstanding: 36,311 (2025: 34,059) units	3,773	3,529
HBL Asset Management Limited Employees		
Provident Fund - Associated Undertaking		
Outstanding: 194,265 (2025: 182,215) units	20,187	18,878
Member of Karachi Bar Association - Associated Undertaking		
Outstanding: 1,265 (2025: 1,217) units	131	126
Mutal Fund Association of Pakistan - Associated Undertaking		
Outstanding: nil (2025: 1) unit*	-	-
Pakistan Petroleum Limited - Associated Undertaking		
Outstanding: 22 (2025: 21) units	2	2
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	1,932	1,900
Sindh sales tax payable on remuneration of the Trustee	290	285
Directors, executives and key management personnel		
Outstanding: 782,996 (2025: 161,717) units	81,365	16,754

20 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	12,990,448	-	12,990,448
Investments	-	34,200,918	34,200,918
Profit receivable	34,532	-	34,532
Deposit	100	-	100
	13,025,080	34,200,918	47,225,998
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	54,085	-	54,085
Payable to Central Depository Company of Pakistan Limited - Trustee	2,221	-	2,221
Dividend payable	2,875	-	2,875
Unclaimed dividend	1,731	-	1,731
Accrued expenses and other liabilities	1,500	-	1,500
	62,411	-	62,411

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

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

21.1 Market risk

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

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

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

(i) Yield / interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 129.90 million (2025: Rs. 103.42 million).

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

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

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

	2026					
		Exposed to yield / interest rate risk				
	Effective interest rate / yield	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
On-balance sheet financial instruments	**(%)**	**Rupees in '000**				
Financial assets						
Bank balances	9.75% to 13.15%	12,990,448	-	-	-	12,990,448
Investments	9.93% to 12.08%	8,920,481	7,141,507	18,138,929	-	34,200,918
Profit receivable		-	-	-	34,532	34,532
Deposit		-	-	-	100	100
		21,910,930	7,141,507	18,138,929	34,632	47,225,998
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	54,085	54,085
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,221	2,221
Unclaimed dividend					1,731	1,731
Dividend payable		-	-	-	2,875	2,875
Accrued expenses and other liabilities		-	-	-	1,500	1,500
		-	-	-	62,411	62,411
On-balance sheet gap (a)		21,910,930	7,141,507	18,138,929	(27,780)	47,163,587
Off-balance sheet financial instruments	-		-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a-b)		21,910,930	7,141,507	18,138,929		
Cumulative interest rate sensitivity gap		21,910,930	29,052,437	47,191,366		

	2025				
	Exposed to yield / interest rate risk				
	Effective interest rate / yield	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
On-balance sheet financial instruments	**(%)**	**Rupees in '000**				
Financial assets						
Balances with banks	9.00% to 11.50%	10,342,095	-	-	-	10,342,095
Investments	10.93% to 12.00%	5,732,079	13,171,067	-	-	18,903,146
Profit receivable		-	-	-	4,635	4,635
Deposit		-	-	-	100	100
		16,074,174	13,171,067	-	4,735	29,249,976
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	80,433	80,433
Payable to the Central Depository Company of Pakistan Limited - Trustee		-	-	-	2,185	2,185
Dividend payable		-	-	-	1,731	1,731
Accrued expenses and other liabilities		-	-	-	1,088	1,088
		-	-	-	85,437	85,437
On-balance sheet gap (a)		16,074,174	13,171,067	-	(80,702)	29,164,539
Off-balance sheet financial instruments -			-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a-b)		16,074,174	13,171,067	-		
Cumulative interest rate sensitivity gap		16,074,174	29,245,241	29,245,241		

(ii) Currency risk

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

(iii) Price risk

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

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

21.2 Liquidity risk

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

The Fund is exposed to redemptions of its redeemable units on a regular basis. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets either in short term instruments or in investments that are traded in an active market and can be readily disposed and are considered readily realisable in order to maintain liquidity.

As per NBFC Regulations, the Fund can borrow in the short-term to ensure settlement. The maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund.

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

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

	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	54,085	-	-	-	-	-	54,085
Payable to the Central Depository Company of Pakistan Limited - Trustee	2,221	-	-	-	-	-	2,221
Dividend payable	2,875	-	-	-	-	-	2,875
Unclaimed dividend	1,731	-	-	-	-	-	1,731
Accrued expenses and other liabilities	865	635	-	-	-	-	1,500
	61,776	635	-	-	-	-	62,411

	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	80,433	-	-	-	-	-	80,433
Payable to the Central Depository Company of Pakistan Limited - Trustee	2,185	-	-	-	-	-	2,185
Dividend payable	-	-	-	-	-	-	-
Unclaimed Dividend	1,731	-	-	-	-	-	1,731
Accrued expenses and other liabilities	442	646	-	-	-	-	1,088
	84,791	646	-	-	-	-	85,437

21.3 Credit risk

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

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

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

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Rupees in '000			
Bank balances	12,990,448	12,990,448	10,342,095	10,342,095
Investments in government securities	34,200,918	-	18,903,146	-
Profit receivable	34,532	34,532	4,635	4,635
Deposit	100	100	100	100
	47,225,998	13,025,080	29,249,976	10,346,830

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

21.3.2 Credit quality of financial assets

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

	% of financial assets exposed to credit risk	
Rating category	**2026**	**2025**
AAA	100.00%	21.46%
AA+*	-	78.53%
AA*	-	-
AA-	-	-
	100.00%	100.00%

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

*Nil due to rounding off

21.3.3 Concentration of credit risk

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

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

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

22 FAIR VALUE AND CATEGORIES OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

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

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

	2026			Total
	Level 1	Level 2	Level 3	
	---------- (Rupees) ----------			
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills	-	25,280,437	-	25,280,437
Government securities - Pakistan Investment Bonds	-	8,920,481	-	8,920,481
	-	34,200,918	-	34,200,918

	2025			Total
	Level 1	Level 2	Level 3	
	---------- (Rupees) ----------			
Financial assets 'at fair value through profit or loss'				
Government securities - Market Treasury Bills	-	18,903,146	-	18,903,146
	-	18,903,146	-	18,903,146

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

Items	Valuation technique
Pakistan Investment Bonds - zero coupon	The valuation of Pakistan Investment Bonds - zero coupon and Market Treasury Bills has been derived from PKRV rates. The PKRV rates are announced by the Financial Market Association through MUFAP.
Market Treasury Bills	

There were no transfers between levels during the year.

23 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

Category	As at June 30, 2026			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
Individuals	20,419	371,601,832	38,614,930	0.83
Associated Companies and Directors*	2	6,051	629	-
Insurance Companies	8	355,109	36,901	0.08%
Retirement Funds	40	4,170,145	433,340	0.93%
Public Limited Companies	41	14,063,228	1,461,378	3.12%
Others	227	60,020,737	6,237,061	13.33%
	20,737	450,217,102	46,784,239	100.00%

Category	As at June 30, 2025			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000'	
Individuals	20,419	371,601,832	38,498,842	134.97%
Associated Companies and Directors*	2	6,051	627	-
Insurance Companies	8	355,109	36,790	0.00
Retirement Funds	40	4,170,145	432,037	1.51%
Public Limited Companies	41	14,063,228	1,456,984	5.11%
Others	227	60,009,036	6,217,080	21.80%
	14,708	275,313,777	28,523,171	100.00%

*Nil due to rounding off

25 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

2026	2025
Name of broker	Name of broker
Currency Market Associates (Private) Limited	Alfalah Securities (Private) Limited
Invest One Market Limited	AKD Securities Limited
C & M Management (Private) Limited	Currency Market Associates (Private) Limited
First Credit and Investment Bank Limited	Continental Exchange (Private) Limited
Icon Management (Private) Limited	Invest One Market Limited
Continental Exchange (Private) Limited	Icon Management Private Limited
Paramount Capital (Private) Limited	Arif Habib Limited
Summit Capital (Private) Limited	BMA Capital Management Limited
Arif Habib Limited	Optimus Capital Management (Private) Limited
AKD Securities Limited	Pearl Securities Limited

26 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

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

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

27 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

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

S. no.	Name of director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3	Mr. Rayomond H. Kotwal*	6	5	1	December 22, 2025
4	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
5	Mr. Tariq Masaud	9	8	1	October 30, 2025
6	Mr. Mir Adil Rashid	9	9	-	-
7	Mr. Ifran Ahmed Meer**	3	2	1	April 29, 2026
8	Mr. Khalid Malik	9	9	-	-
9	Dr. Sahar Awan**	3	3	-	-
10	Mr. Habib Yousuf Habib*	3	3	-	-
11	Ms. Sheeza Ahmed	9	9	-	-

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

28 GENERAL

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

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

29 DATE OF AUTHORISATION FOR ISSUE

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL Cash Fund

FUND INFORMATION

NAME OF FUND	HBL Cash Fund
NAME OF AUDITOR	Yousuf Adil, Chartered Accountants
BANKERS	Habib Bank Limited Bank Al-Habib Limited Habib Metropolitan Bank Limited Bank Al Falah Limited Faysal Bank Limited Allied Bank Limited MCB Bank Limited Samba Bank Limited Zarai Taraqia? Bank Limted Soneri Bank Limited Sindh Bank Limited Dubai Islamic Bank of Pakistan National Bank of Pakistan United Bank Limited
FUND RATING	AA+(f) (VIS)

FUND MANAGER'S REPORT - HBL CASH FUND

As at June 30, 2026

Type and Category of Fund

Open end Money Market Fund

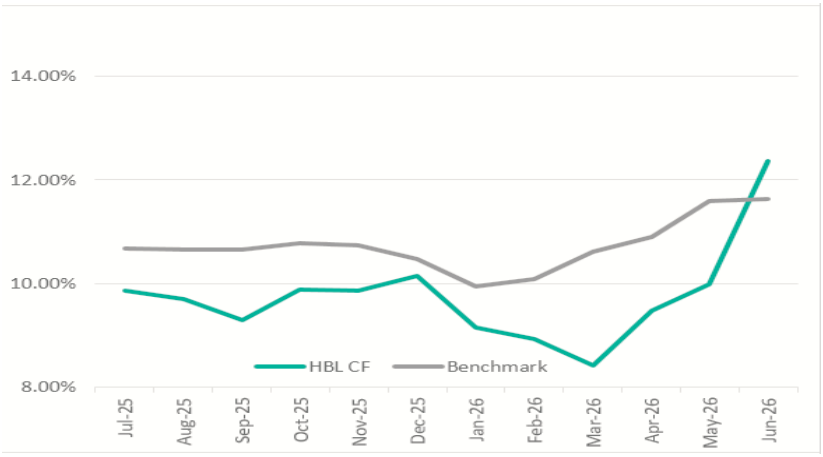
Investment Objective and Accomplishment of Objective

The investment objective of the Fund is to provide competitive returns to its investors through active investments in low-risk portfolio of short duration, while maintaining high liquidity. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

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

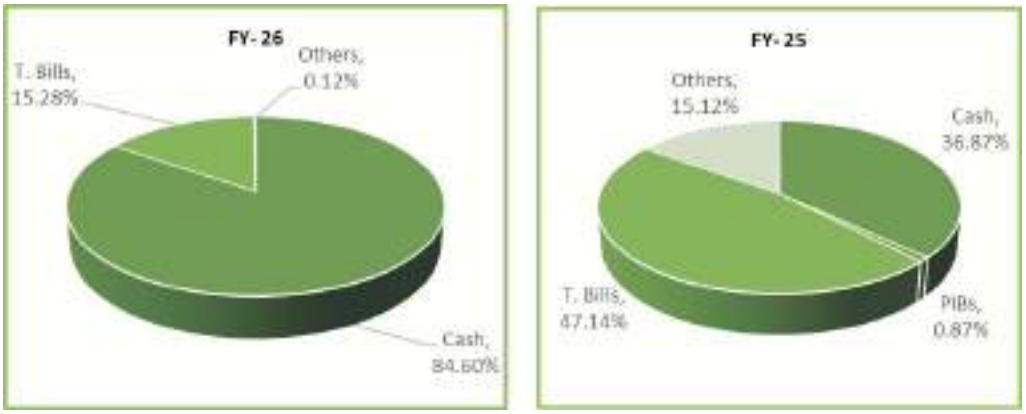
Month	Return of Fund	Benchmark
Jun-26	12.36%	11.64%
May-26	9.98%	11.59%
Apr-26	9.47%	10.90%
Mar-26	8.42%	10.61%
Feb-26	8.92%	10.09%
Jan-26	9.15%	9.95%
Dec-25	10.14%	10.48%
Nov-25	9.86%	10.73%
Oct-25	9.89%	10.78%
Sep-25	9.30%	10.66%
Aug-25	9.71%	10.65%
Jul-25	9.87%	10.68%



Strategies and Policies employed during the Year

Towards the end of the year, the fund was mainly invested in Daily Product Accounts (DPAs) comprising of 84.60% of total assets. Remaining investments were in T-bills at 15.28% of total assets. HBL Cash Fund posted an annualized return (YTD) of 10.20% against the benchmark return of 10.73% in FY26. In-line with its investment policy, the Fund held investments in short maturity T-Bills and placements with Banks in DPAs at attractive rates.

Asset Allocation



Significant Changes in Asset Allocation during the Year

During the year the fund's asset allocation decreased in T-bills and the remaining placed with banks in DPAs at attractive rates in June 2026. At the end of the year, 84.60%, 15.28% and 0.12% of the total assets were deployed in Cash, T-bills and others, respectively.

Fund Performance

The total income and net income of the Fund was Rs. 9.21 billion and Rs. 8.31 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs 103.7224 per unit as on June 30, 2026 (after incorporating dividend of Rs. 10.15 per unit) as compared to Rs 103.3525 per unit as on June 30, 2025, thereby giving an annualized return of 10.20%. During the period the benchmark (90% 3M PKRV & 10% 3M deposit rates) return was 10.73%. The size of Fund was Rs 77.19 billion as on June 30, 2026 as compared to Rs. 120.57 billion at the start of the year.

Market Review

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

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

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

Distribution

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

Significant Changes in the State of Affairs

There were no significant changes in state of affairs of the Fund.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	3,782	23,786
101 - 500	330	80,743
501 - 1,000	107	79,491
1,001 - 10,000	451	2,116,264
10,001 - 100,000	784	32,167,389
100,001 - 500,000	395	96,229,533
500,001 - 1,000,000	118	81,228,817
1,000,001 - 5,000,000	109	223,355,088
5,000,001 and more	17	308,925,229
Total	**6,093**	**744,206,340**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL CASH FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end (Rs'000)	77,190,898	120,567,025	56,423,575	50,338,816	36,066,308	26,539,411
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	103.7224	103.3525	103.1573	101.9926	101.3611	101.2227
Offer - Class C	103.7224	103.3525	103.1573	101.9926	101.3611	101.2227
Offer - Class D	104.9152	104.5411	104.3436	103.1451	102.5065	102.3665
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit - Class C	114.8902	119.3043	104.6730	103.1674	102.1124	102.5866
Lowest offer price per unit - Class C	104.5656	104.3414	101.9926	101.3611	101.2227	101.1599
Highest offer price per unit - Class D	116.0276	120.4871	105.8558	104.3332	103.3769	102.5866
Lowest offer price per unit - Class D		105.4939	103.1451	102.5065	101.3227	101.1599
Highest redemption price per unit	114.8902	119.3043	104.6730	103.1674	102.1124	101.1599
Lowest redemption price per unit	104.5656	104.3414	101.9926	101.3611	101.2227	101.8332
	100.99	100.99				
RETURN (%)						
Total return	10.20%	14.61%	22.20%	17.56%	10.97%	6.97%
Income distribution	9.82%	14.40%	19.16%	15.67%	10.44%	6.78%
Capital growth	0.38%	0.21%	3.04%	1.89%	0.53%	0.19%
DISTRIBUTION						
Date of Income Distribution						
Income Distribution (Rs. Per unit)						
Date of Income Distribution	22-Jun-26	23-Jun-25	7-Aug-23	10-Aug-22	6-Aug-21	6-Aug-20
Income Distribution (Rs. Per unit)	10.1500	14.8500	2.1545	1.6445	0.7771	0.7298
Date of Income Distribution			18-Sep-23	5-Sep-22	3-Sep-21	3-Sep-20
Income Distribution (Rs. Per unit)			2.4155	1.0143	0.9822	0.4954
Date of Income Distribution			16-Oct-23	10-Oct-22	8-Oct-21	1-Oct-20
Income Distribution (Rs. Per unit)			1.6879	1.4745	0.7675	0.5295
Date of Income Distribution			13-Nov-23	7-Nov-22	5-Nov-21	5-Nov-20
Income Distribution (Re. Per unit)			1.6078	1.1493	0.5907	0.6651
Date of Income Distribution			11-Dec-23	5-Dec-22	3-Dec-21	3-Dec-20
Income Distribution (Rs. Per unit)			1.4925	1.0082	0.5954	0.5039
Date of Income Distribution			15-Jan-24	9-Jan-23	7-Jan-22	1-Jan-21
Income Distribution (Re. Per unit)			2.1124	1.4979	1.1016	0.5420
Date of Income Distribution			19-Feb-24	13-Feb-23	4-Feb-22	3-Feb-21
Income Distribution (Re. Per unit)			1.8189	1.5145	0.8326	0.6441
Date of Income Distribution			11-Mar-24	6-Mar-23	4-Mar-22	4-Mar-21
Income Distribution (Re. Per unit)			1.1476	0.8585	0.7582	0.5084
Date of Income Distribution			22-Apr-24	10-Apr-23	8-Apr-22	1-Apr-21
Income Distribution (Re. Per unit)			2.2556	1.8339	1.0850	0.5453
Date of Income Distribution			10-Jun-24	15-May-23	13-May-22	5-May-21
Income Distribution (Re. Per unit)			2.8476	1.9820	1.0988	0.6281
Date of Income Distribution				19-Jun-23	3-Jun-22	3-Jun-21
Income Distribution (Rs. Per unit)				1.9102	0.8574	0.5590
Date of Income Distribution				-	27-Jun-22	24-Jun-21
Income Distribution (Re. Per unit)				-	0.9967	0.4248
Total dividend distribution for the year/ period (Rs)	10.1500	14.8500	19.5403	15.8878	10.4432	6.7754
AVERAGE RETURNS (%)						
Average annual return 1 year	10.20%	14.61%	22.20%	17.56%	10.97%	6.97%
Average annual return 2 year	12.38%	18.34%	19.86%	14.22%	8.95%	9.88%
Average annual return 3 year	15.56%	18.08%	16.82%	11.75%	10.24%	9.54%
PORTFOLIO COMPOSITION - (%)						
Percentage of Net Assets as at 30 June:						
Bank Balances	84.60%	51.91%	65.87%	23.72%	90.82%	99.41%
T-Bills	15.28%	47.19%	32.31%	46.83%	1.32%	0.00%
Placement with Banks and DFIs	0.00%	0.00%	0.00%	7.71%	0.00%	0.00%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	2.86%	0.00%
Corporate Sukuks / TFCs/PIB Floater	0.00%	0.88%	1.52%	20.74%	3.59%	0.00%
MTS / Spread Transactions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Others Including receivables	0.12%	0.02%	0.30%	1.00%	1.41%	0.59%
Weighted average portfolio duration (No. of days)	13	39	40	40	8	1

Note:

The Launch date of the Fund is December 13, 2010

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
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TRUSTEE REPORT TO THE UNIT HOLDERS

HBL CASH FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Cash Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Cash Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Cash Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 11,885.539 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained the Investors' Portfolio Securities Account Statements for verifying the existence of the government securities portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies;

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Chartered Accountants
Place: Karachi
Date: September 28, 2026
UDIN: AR202610057X3e24kmoA

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

	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
ASSETS			
Bank balances	5	**65,818,969**	63,200,140
Investments	6	**11,885,539**	58,520,497
Profit receivable	7	**96,006**	28,777
Advances, deposits, prepayments and other receivable	8	**1,271**	1,319
Total assets		**77,801,785**	121,750,733
LIABILITIES			
Payable to the Management Company	9	**54,213**	59,995
Payable to the Trustee	10	**3,392**	4,287
Payable to SECP	11	**4,021**	5,082
Payable against redemption of units		**12,208**	-
Accrued expenses and other liabilities	12	**537,053**	1,114,344
Total liabilities		**610,887**	1,183,708
NET ASSETS		**77,190,898**	120,567,025
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**77,190,898**	120,567,025
CONTINGENCIES AND COMMITMENTS	13		
		-----(Number of Units)-----	
NUMBER OF UNITS IN ISSUE	14	**744,206,340**	1,166,561,151
		-----(Rupees)-----	
NET ASSETS VALUE PER UNIT	4.8	**103.7224**	103.3525

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
Income			
Income from Government Securities		**5,876,232**	10,962,918
Income from letter of placements		**1,723,763**	284,249
Income from corporate sukuk bonds		**22,809**	-
Profit on bank deposits		**1,663,352**	647,227
Capital (loss) / gain on sale of investments - net		**(70,038)**	37,780
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss'	6.4	**(2,705)**	36,546
		9,213,413	11,968,720
Expenses			
Remuneration of the Management Company	9.1	**677,776**	867,417
Sindh sales tax on remuneration of the Management Company	9.2	**101,666**	130,112
Remuneration of the Trustee	10.1	**47,505**	45,074
Sindh sales tax on remuneration of the Trustee	10.2	**7,126**	6,761
SECP fee	11.1	**64,779**	61,463
Auditors' remuneration	15	**1,388**	781
Fees and subscription		**723**	472
Securities transaction costs		**897**	1,583
Settlement and bank charges		**1,126**	1,328
Printing charges		**-**	130
		902,986	1,115,121
Net Income for the year before taxation		**8,310,427**	10,853,599
Taxation	16	**-**	-
Net income for the year after taxation		**8,310,427**	10,853,599
Allocation of net income for the year			
Net income for the year after taxation		**8,310,427**	10,853,599
Income already paid on redemption of units		**(7,326,356)**	(8,529,186)
		984,071	2,324,413
Accounting income available for distribution:			
Relating to capital gains		**-**	15,918
Excluding capital gains		**984,071**	2,308,495
		984,071	2,324,413

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL CASH FUND
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	---- (Rupees in '000) ----	
Net income for the year after taxation	**8,310,427**	10,853,599
Other comprehensive income	**-**	-
Total comprehensive income for the year	**8,310,427**	10,853,599

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	June 30, 2026			June 30, 2025		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the year	**119,392,181**	**1,237,844**	**120,567,025**	55,442,802	980,773	56,423,575
Issuance of units 1,958,881,633 (2025: 2,707,635,656 units)						
Capital value (at net asset value per unit at the beginning of the year)	**202,455,314**	**-**	**202,455,314**	279,312,384	-	279,312,384
Element of income	**7,139,946**	**-**	**7,139,946**	13,071,117	-	13,071,117
	209,595,260	**-**	**209,595,260**	292,383,501	-	292,383,501
Redemption of units 2,381,236,444 (2025: 2,088,040,991 units)						
Capital value (at net asset value per unit at the beginning of the year)	**(246,106,740)**	**-**	**(246,106,740)**	(215,396,671)	-	(215,396,671)
Income already paid on redemption of units	**-**	**(7,326,356)**	**(7,326,356)**	-	(8,529,186)	(8,529,186)
Element of loss	**(6,231,424)**	**-**	**(6,231,424)**	(10,899,601)	-	(10,899,601)
	(252,338,164)	**(7,326,356)**	**(259,664,520)**	(226,296,272)	(8,529,186)	(234,825,458)
Total comprehensive income for the year	**-**	**8,310,427**	**8,310,427**	-	10,853,599	10,853,599
Interim distribution of Rs. 10.15 per unit declared on June 22, 2026 as cash dividend (2025: 14.85)	-	**(886,413)**	**(886,413)**	-	(2,067,342)	(2,067,342)
Refund of capital	**(730,881)**	**-**	**(730,881)**	(2,200,850)	-	(2,200,850)
	(730,881)	**7,424,014**	**6,693,133**	(2,200,850)	8,786,257	6,585,407
Net assets at end of the year	**75,918,396**	**1,335,502**	**77,190,898**	119,329,181	1,237,844	120,567,025

Undistributed income brought forward		
Realised	**1,201,298**	951,247
Unrealised	**36,546**	29,526
	1,237,844	980,773
Accounting income available for distribution		
Relating to capital gain	**-**	15,918
Excluding capital gain	**984,071**	2,308,495
	984,071	2,324,413
Distributions during the year	**(886,413)**	(2,067,342)
Undistributed income carried forward	**1,335,502**	1,237,844
Undistributed income carried forward		
Realised	**1,338,207**	1,201,298
Unrealised	**(2,705)**	36,546
	1,335,502	1,237,844
	Rupees	Rupees
Net assets value per unit at beginning of the year	**103.3525**	103.1573
Net assets value per unit at end of the year	**103.7224**	103.3525

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

For HBL Asset Management Limited
(Management Company)

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

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

	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**8,310,427**	10,853,599
Adjustments for non cash and other items:			
Capital loss / (gain) on sale of investments - net		**70,038**	(37,780)
Income from Government Securities		**(5,876,232)**	(10,962,918)
Income from letter of placements		**(1,723,763)**	(284,249)
Income from corporate sukuk bonds		**(22,809)**	-
Profit on bank deposits		**(1,663,352)**	(647,227)
Unrealised loss / (gain) on re-measurement of investments	6.4		
at 'fair value through profit or loss'		**2,705**	(36,546)
		(902,986)	(1,115,121)
Decrease / (increase) in assets			
Investments - net		**40,924,562**	(33,203,059)
Advances, deposits, prepayments and other receivables		**48**	(65)
		40,924,610	(33,203,124)
(Decrease) / increase in liabilities			
Payable to the Management Company		**(5,782)**	(7,928)
Payable to the Trustee		**(895)**	1,763
Payable to SECP		**(1,061)**	2,044
Payable against Conversion of units		**-**	
Payable against redemption of units		**-**	-
Accrued expenses and other liabilities		**(577,291)**	932,988
		(585,029)	928,867
Net cash generated from / (used in) operations		**39,436,595**	(33,389,378)
Income received from government securities		**5,893,265**	10,945,885
Income from letter of placements		**1,723,763**	284,249
Income received from corporate sukuk bonds		**22,809**	-
Profit received on bank deposits		**1,579,090**	796,270
		9,218,927	12,026,404
Net cash flows generated from / (used in) operating activities		**48,655,522**	(21,362,974)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from issue of units		**208,864,379**	290,182,651
Payments against redemption of units		**(259,652,312)**	(234,825,458)
Dividend paid		**(886,413)**	(2,067,342)
Net cash (used in) / generated from financing activities		**(51,674,346)**	53,289,851
Net (decrease) / increase in cash and cash equivalents during the year		**(3,018,824)**	31,926,877
Cash and cash equivalents at the beginning of the year		**72,562,929**	40,636,052
Cash and cash equivalents at the end of the year	18	**69,544,105**	72,562,929

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Cash Fund (the Fund) was established under a Trust Deed executed between PICIC Asset Management Company Limited (now, HBL Asset Management Limited) as the Management Company and Central Depository Company of Pakistan Limited (Trustee) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/NBFC-II/DD/PCF/844/2010 dated November 11, 2010 and the Trust Deed was executed on October 22, 2010.

1.2 Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP / the Commission) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.3 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

1.4 Effective from September 01, 2016, HBL Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

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

1.6 The Fund has been categorised as a Money Market Scheme as per the criteria laid down by the SECP for categorisation of the Collective Investment Schemes (CISs). The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange Limited (PSX). The units of the Fund were initially offered for public subscription at par value of Rs.100 per unit from December 11, 2010 to December 13, 2010. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.7 The investment objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

1.8 VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company and a stability rating of AA+(f) to the Fund as dated December 31, 2025 and December 29, 2025, respectively.

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Critical accounting estimates and judgments

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

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

(a) Classification and measurement of financial assets (notes 4.1.1.1 and 6)

(b) Impairment of financial assets (note 4.1.1.3)

(c) Provisions (note 4.3)

(d) Classification and measurement of financial liabilities (note 4.1.2.1)

(e) Contingencies and commitments (Note 13)

(f) Taxation (notes 4.4 and 16)

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

2.3 Functional and presentation currency

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

2.4 Basis of measurement

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

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

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

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

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

3.2 Standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except those mentioned in note 3.3

	Effective from accounting period beginning on or after
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Classification and measurement of financial instruments	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

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

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

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

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

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards

- IFRS 20 - Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

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

4.1 Financial instruments

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

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

4.1.1 Financial assets

4.1.1.1 Classification and measurement of financial assets

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

4.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The Government Securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV, PKFRV, PKISRV) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on PSX are valued at revaluation rates disseminated by PSX.

Basis of valuation of debt securities:

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

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

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

4.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.1.1.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.1.1.5 Derecognition

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

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

4.1.2 Financial liabilities

4.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the EIR method or at fair value through profit or loss.

Financial liabilities are measured at amortised cost, unless they are required to be measured at fair value through profit or loss (such as instruments held for trading) or the Fund has opted to measure them at fair value through profit or loss.

4.1.2.2 Derecognition

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

4.1.3 Offsetting of financial instruments

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

4.2 Cash and cash equivalents

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

4.3 Provisions

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

4.4 Taxation

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

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

4.5 Dividend distribution and appropriations

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

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

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

4.6 Issue and redemption of units

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

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

4.7 Element of Income

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

4.8 Net asset value per unit

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

4.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments 'at FVTPL' is included in the income statement in the period in which it arises.
- Income / profit from investments in Government Securities and letter of placements is recognised on a time proportionate basis using EIR method.
- Profit on bank balances is recognised on bank's approved rates.

4.10 Expenses

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

4.11 Earnings per unit

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

		Note	**June 30, 2026**	June 30, 2025
			---- (Rupees in '000) ----	
5.	**BANK BALANCES**			
	In current account		**5**	5
	In savings account	5.1	**65,818,964**	63,200,135
			65,818,969	63,200,140

5.1 These bank accounts carry mark-up at rates ranging between 8% to 13.15% (June 30, 2025: 9% to 13.5%) per annum. This includes a balance held by Habib Bank Limited, (a related party), amounting to Rs. 65,163 million (June 30, 2025: Rs. 62,140 million) which carry mark-up at rates 13.15% (June 30, 2025: 11.5%) per annum.

6. INVESTMENTS	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
Investment at fair value through profit or loss			
Government securities	6.1	**11,885,539**	58,520,497
Short term Sukuk - Unlisted	6.2	**-**	-
Letter of placement	6.3	**-**	-
		11,885,539	58,520,497

6.1 Government Securities:			
Market Treasury Bills	6.1.1	**11,885,539**	57,455,057
Pakistan Investment Bonds - FRB	6.1.2	**-**	-
Pakistan Investment Bonds	6.1.3	**-**	1,065,440
		11,885,539	58,520,497

6.1.1 Market Treasury Bills

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of total investment	Market value as a percentage of net assets
		As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
		(Rupees in '000)							(%)	
Treasury Bills										
Treasury bills - 1 month	June 26, 2025	500,000	-	500,000	-	-	-	-	-	-
Treasury bills - 1 month	July 10, 2025	-	6,000,000	6,000,000	-	-	-	-	-	-
Treasury bills - 1 month	July 24, 2025	-	125,000	125,000	-	-	-	-	-	-
Treasury bills - 1 month	August 07, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 1 month	October 16, 2025	-	8,000,000	8,000,000	-	-	-	-	-	-
Treasury bills - 1 month	November 13, 2025	-	2,142,000	2,142,000	-	-	-	-	-	-
Treasury bills - 1 month	January 08, 2026	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 1 month	January 22, 2026	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 1 month	February 06, 2026	-	521,070	521,070	-	-	-	-	-	-
Treasury bills - 1 month	March 17, 2026	-	13,000,000	13,000,000	-	-	-	-	-	-
Treasury bills - 1 month	April 30, 2026	-	12,460,000	12,460,000	-	-	-	-	-	-
Treasury bills - 1 month	May 14, 2026	-	1,063,500	1,063,500	-	-	-	-	-	-
Treasury bills - 1 month	May 21, 2026	-	36,000,000	36,000,000	-	-	-	-	-	-
Treasury bills - 3 months	May 02, 2025	2,979,000	-	2,979,000	-	-	-	-	-	-
Treasury bills - 3 months	May 29, 2025	6,000,000	-	6,000,000	-	-	-	-	-	-
Treasury bills - 3 months	June 26, 2025	-	1,500,000	1,500,000	-	-	-	-	-	-
Treasury bills - 3 months	July 10, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	July 24, 2025	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 3 months	August 07, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	January 08, 2026	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 3 months	January 22, 2026	-	1,450,000	1,450,000	-	-	-	-	-	-
Treasury bills - 3 months	December 11, 2025	-	126,340	126,340	-	-	-	-	-	-
Treasury bills - 3 months	March 17, 2026	-	6,685,000	6,685,000	-	-	-	-	-	-
Treasury bills - 3 months	April 16, 2026	-	4,500,000	4,500,000	-	-	-	-	-	-
Treasury bills - 3 months	April 30, 2026	-	7,948,000	7,948,000	-	-	-	-	-	-
Treasury bills - 3 months	May 14, 2026	-	3,440,000	3,440,000	-	-	-	-	-	-
Treasury bills - 3 months*	May 21, 2026	-	2,788,560	-	2,788,560	**2,743,986**	**2,745,041**	**1,055**	23.10	3.56
Treasury bills - 3 months*	June 11, 2026	-	26,605,380	25,605,380	1,000,000	**979,919**	**980,095**	**176**	8.25	1.27

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of total investment	Market value as a percentage of net assets
		As at July 01, 2025	Purchased during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
		(Rupees in '000')							(%)	
Treasury bills - 6 months	January 09, 2025	10,000,000	6,500,000	16,500,000	-	-	-	-	-	-
Treasury bills - 6 months	March 06, 2025	1,000,000	-	1,000,000	-	-	-	-	-	-
Treasury bills - 6 months	March 20, 2025	500,000	-	500,000	-	-	-	-	-	-
Treasury bills - 6 months	April 03, 2025	1,695,000	-	1,695,000	-	-	-	-	-	-
Treasury bills - 6 months	April 17, 2025	7,030,000	6,900,000	13,930,000	-	-	-	-	-	-
Treasury bills - 6 months	May 02, 2025	8,490,000	-	8,490,000	-	-	-	-	-	-
Treasury bills - 6 months	May 15, 2025	2,737,000	-	2,737,000	-	-	-	-	-	-
Treasury bills - 6 months	May 29, 2025	500,000	2,974,200	3,474,200	-	-	-	-	-	-
Treasury bills - 6 months	June 12, 2025	5,000,000	-	5,000,000	-	-	-	-	-	-
Treasury bills - 6 months	June 26, 2025	-	3,144,800	3,144,800	-	-	-	-	-	-
Treasury bills - 6 months	July 10, 2025	-	19,200,000	19,200,000	-	-	-	-	-	-
Treasury Bills										
Treasury bills - 6 months	July 24, 2025	-	250,000	250,000	-	-	-	-	-	-
Treasury bills - 6 months	August 07, 2025	-	375,000	375,000	-	-	-	-	-	-
Treasury bills - 6 months	September 04, 2025	-	4,965,000	4,965,000	-	-	-	-	-	-
Treasury bills - 6 months	January 08, 2026	-	1,000,000	1,000,000	-	-	-	-	-	-
Treasury bills - 6 months	January 22, 2026	-	4,500,000	4,500,000	-	-	-	-	-	-
Treasury bills - 6 months	February 06, 2026	-	8,900,000	8,900,000	-	-	-	-	-	-
Treasury bills - 6 months	September 18, 2025	-	276,385	276,385	-	-	-	-	-	-
Treasury bills - 6 months*	April 30, 2026	-	5,750,000	1,500,000	4,250,000	**4,091,976**	**4,093,613**	**1,637**	34.44	5.30
Treasury bills - 12 months	July 25, 2024	2,500,000	-	2,500,000	-	-	-	-	-	-
Treasury bills - 12 months	August 08, 2024	-	7,000,000	7,000,000	-	-	-	-	-	-
Treasury bills - 12 months	August 22, 2024	6,066,730	-	6,066,730	-	-	-	-	-	-
Treasury bills - 12 months	October 03, 2024	950,000	-	950,000	-	-	-	-	-	-
Treasury bills - 12 months	October 17, 2024	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 12 months	October 31, 2024	2,395,235	-	2,395,235	-	-	-	-	-	-
Treasury bills - 12 months	November 14, 2024	-	4,837,860	4,837,860	-	-	-	-	-	-
Treasury bills - 12 months	November 28, 2024	450,000	2,000,000	2,450,000	-	-	-	-	-	-
Treasury bills - 12 months	December 12, 2024	-	1,300,000	1,300,000	-	-	-	-	-	-
Treasury bills - 12 months	December 26, 2024	-	3,432,400	3,432,400	-	-	-	-	-	-
Treasury bills - 12 months	January 09, 2025	-	7,259,015	7,259,015	-	-	-	-	-	-
Treasury bills - 12 months	February 06, 2025	-	267,320	267,320	-	-	-	-	-	-
Treasury bills - 12 months	February 20, 2025	-	114,900	114,900	-	-	-	-	-	-
Treasury bills - 12 months	March 06, 2025	-	500,000	500,000	-	-	-	-	-	-
Treasury bills - 12 months	March 20, 2025	-	1,000,000	1,000,000	-	-	-	-	-	-
Treasury bills - 12 months	3-Apr-2025	-	5,500,000	5,500,000	-	-	-	-	-	-
Treasury bills - 12 months	17-Apr-2025	-	10,800,000	10,800,000	-	-	-	-	-	-
Treasury bills - 12 months	2-May-2025	-	6,918,000	6,918,000	-	-	-	-	-	-
Treasury bills - 12 months	29-May-2025	-	2,000,000	2,000,000	-	-	-	-	-	-
Treasury bills - 12 months	26-Jun-2025	-	300,000	300,000	-	-	-	-	-	-
Treasury bills - 12 months	10-Jul-2025	-	1,100,000	1,100,000	-	-	-	-	-	-
Treasury bills - 12 months*	7-Aug-2025	-	1,730,800	-	1,730,800	**1,712,450**	**1,711,282**	**(1,168)**	14.40	2.22
Treasury bills - 12 months*	4-Sep-2025	-	1,866,000	-	1,866,000	**1,832,247**	**1,828,857**	**(3,390)**	15.39	2.37
Treasury bills - 12 months	16-Oct-2025	-	5,978,100	5,978,100	-	-	-	-	-	-
Treasury bills - 12 months	23-Jan-2025	-	1,200,000	1,200,000	-	-	-	-	-	-
Treasury bills - 12 months*	21-Aug-2025	-	535,000	-	535,000	**527,666**	**526,651**	**(1,015)**	4.43	0.68
Treasury bills - 12 months	30-Oct-2025	-	4,000,000	4,000,000	-	-	-	-	-	-
As at June 30, 2026						**11,888,244**	**11,885,539**	**(2,705)**		
As at June 30, 2025						57,420,782	57,455,057	34,275		

*These market treasury bills carry effective yield at the rate ranging from 10.52% to 11.92% (June 30, 2025: 10.95% to 12%) per annum.

6.1.2 Pakistan investment bonds - FRB

Tenure	Issue date	Face value				As at 30 June, 2026		Unrealised gain / (loss)	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value			
		(Rupees in '000)							(%)	
Pakistan Investment Bonds - 5 years	October 22, 2020	-	1,645,000	1,645,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 years	May 06, 2021	-	24,000,000	24,000,000	-	-	-	-	-	-
As at June 30, 2026						-	-	-		
As at June 30, 2025						-	-	-		

6.1.3 Pakistan investment bonds

Tenure	Issue date	Face value				As at 30 June, 2026		Unrealised gain	Market value as a percentage of net assets	Market value as a percentage of total investments
		As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	Carrying value	Market value			
		(Rupees in '000)							(%)	
Pakistan Investment Bonds - 2 years	September 20, 2024	-	6,550,000	6,550,000	-	-	-	-	-	-
Pakistan Investment Bonds - 3 years	February 09, 2023	-	5,000,000	5,000,000	-	-	-	-	-	-
Pakistan Investment Bonds - 5 years	October 15, 2020	1,076,600	7,389,800	8,466,400	-	-	-	-	-	-
As at June 30, 2026						-	-	-		
As at June 30, 2025						1,063,169	1,065,440	2,271		

* This carry effective yield: Nil (2025: 10.99%) per annum.

6.2 Short Term Sukuk - Unlisted

Name of the investee company	As at July 01, 2025	Purchases during the year	Sold / matured during the year	As at June 30, 2026	As at 30 June, 2026		Unrealised gain / (loss)	Market value as a percentage of total investments	Market value as a percentage of net assets
					Carrying value	Market value			
	(Units)				(Rupees in '000)			(%)	
Corporate Sukuk Bond									
Pakistan Telecommunication Company Limited	-	411	411	-	-	-	-		
As at June 30, 2026					-	-	-		
As at June 30, 2025					-	-	-		

6.3 Letter of placement

Name of investee company	Issue date	Maturity date	Profit rate	Face value				As at June 30, 2026			Market value as percentage of total investments	Market value as percentage of net assets
				As at July 01, 2025	Purchased during the year	Matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / loss		
			(%)	(Rupees in '000)							(%)	
Saudi Pak Industrial and Agricultural Investment Company Limited	July 18, 2025	July 24, 2025	11.10	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	July 18, 2025	July 25, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	July 18, 2025	July 25, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	July 24, 2025	July 25, 2025	11.00	-	4,000,000	4,000,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	July 25, 2025	August 04, 2025	11.25	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	July 18, 2025	August 15, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	July 18, 2025	August 15, 2025	11.10	-	4,000,000	4,000,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	August 13, 2025	August 15, 2025	11.10	-	3,522,000	3,522,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	August 05, 2025	August 18, 2025	11.10	-	2,000,000	2,000,000	-	-	-	-	-	-

Name of investee company	Issue date	Maturity date	Profit rate	Face value				As at June 30, 2026			Market value as percentage of total investments	Market value as percentage of net assets
				As at July 01, 2025	Purchased during the year	Matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / loss		
			(%)	(Rupees in '000)							(%)	
JS Bank Limited	August 08, 2025	August 22, 2025	11.00	-	3,500,000	3,500,000	-	-	-	-	-	-
JS Bank Limited	August 22, 2025	August 29, 2025	11.00	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	September 01, 2025	September 02, 2025	11.00	-	2,350,000	2,350,000	-	-	-	-	-	-
JS Bank Limited	September 01, 2025	September 05, 2025	11.00	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	September 01, 2025	September 05, 2025	11.00	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 08, 2025	September 09, 2025	11.00	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 05, 2025	September 12, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 11, 2025	September 12, 2025	11.00	-	5,000,000	5,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 15, 2025	September 16, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	September 15, 2025	September 16, 2025	11.05	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	September 16, 2025	September 17, 2025	10.95	-	1,390,000	1,390,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 16, 2025	September 17, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	September 16, 2025	September 17, 2025	11.00	-	1,500,000	1,500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 17, 2025	September 18, 2025	11.00	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 17, 2025	September 18, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	September 17, 2025	September 18, 2025	11.00	-	1,500,000	1,500,000	-	-	-	-	-	-
JS Bank Limited	September 12, 2025	September 19, 2025	11.00	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 18, 2025	September 19, 2025	11.00	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 18, 2025	September 19, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	September 18, 2025	September 19, 2025	11.00	-	1,500,000	1,500,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 19, 2025	September 22, 2025	11.05	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	September 19, 2025	September 22, 2025	11.00	-	750,000	750,000	-	-	-	-	-	-
JS Bank Limited	September 22, 2025	September 23, 2025	11.00	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	September 22, 2025	September 23, 2025	10.95	-	5,000,000	5,000,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	September 23, 2025	September 24, 2025	11.05	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	September 23, 2025	September 24, 2025	11.00	-	4,000,000	4,000,000	-	-	-	-	-	-
JS Bank Limited	September 24, 2025	September 25, 2025	11.10	-	4,500,000	4,500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	September 19, 2025	September 26, 2025	11.05	-	3,000,000	3,000,000	-	-	-	-	-	-
United Bank Limited	September 25, 2025	September 26, 2025	11.35	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	September 25, 2025	September 26, 2025	11.45	-	1,310,000	1,310,000	-	-	-	-	-	-
JS Bank Limited	October 14, 2025	October 15, 2025	11.10	-	1,500,000	1,500,000	-	-	-	-	-	-
JS Bank Limited	October 15, 2025	October 16, 2025	11.10	-	1,500,000	1,500,000	-	-	-	-	-	-
United Bank Limited	October 15, 2025	October 16, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
United Bank Limited	October 16, 2025	October 17, 2025	11.10	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	October 16, 2025	October 17, 2025	11.10	-	4,800,000	4,800,000	-	-	-	-	-	-
JS Bank Limited	October 17, 2025	October 20, 2025	11.10	-	4,900,000	4,900,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	October 20, 2025	October 21, 2025	11.05	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	October 20, 2025	October 21, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	October 20, 2025	October 21, 2025	11.10	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	October 21, 2025	October 22, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	October 21, 2025	October 22, 2025	11.05	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	October 21, 2025	October 22, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	October 21, 2025	October 22, 2025	11.05	-	1,000,000	1,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	October 22, 2025	October 23, 2025	11.05	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	October 27, 2025	October 28, 2025	11.05	-	3,500,000	3,500,000	-	-	-	-	-	-
United Bank Limited	October 30, 2025	October 31, 2025	11.05	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Co. Limited	October 30, 2025	November 03, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	October 31, 2025	November 03, 2025	11.02	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	October 31, 2025	November 03, 2025	11.06	-	5,000,000	5,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	October 24, 2025	November 04, 2025	11.15	-	1,700,000	1,700,000	-	-	-	-	-	-
JS Bank Limited	November 03, 2025	November 04, 2025	11.00	-	8,400,000	8,400,000	-	-	-	-	-	-
United Bank Limited	November 03, 2025	November 04, 2025	11.00	-	3,200,000	3,200,000	-	-	-	-	-	-
United Bank Limited	November 04, 2025	November 05, 2025	11.00	-	3,500,000	3,500,000	-	-	-	-	-	-
JS Bank Limited	November 05, 2025	November 06, 2025	11.00	-	4,740,000	4,740,000	-	-	-	-	-	-
United Bank Limited	November 05, 2025	November 06, 2025	11.00	-	8,500,000	8,500,000	-	-	-	-	-	-
JS Bank Limited	November 05, 2025	November 06, 2025	11.00	-	8,500,000	8,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	November 05, 2025	November 06, 2025	11.00	-	3,500,000	3,500,000	-	-	-	-	-	-
United Bank Limited	November 06, 2025	November 07, 2025	11.15	-	8,500,000	8,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	November 06, 2025	November 07, 2025	11.15	-	1,400,000	1,400,000	-	-	-	-	-	-
JS Bank Limited	November 06, 2025	November 07, 2025	11.10	-	6,000,000	6,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 17, 2025	November 19, 2025	11.00	-	8,500,000	8,500,000	-	-	-	-	-	-
JS Bank Limited	November 19, 2025	November 20, 2025	11.20	-	8,500,000	8,500,000	-	-	-	-	-	-
JS Bank Limited	November 07, 2025	November 21, 2025	11.00	-	3,500,000	3,500,000	-	-	-	-	-	-
JS Bank Limited	November 14, 2025	November 21, 2025	11.00	-	3,000,000	3,000,000	-	-	-	-	-	-
United Bank Limited	November 20, 2025	November 21, 2025	11.20	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	November 20, 2025	November 21, 2025	11.20	-	8,502,597	8,502,597	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 21, 2025	November 28, 2025	10.95	-	8,000,000	8,000,000	-	-	-	-	-	-

Name of investee company	Issue date	Maturity date	Profit rate	Face value				As at June 30, 2026			Market value as percentage of total investments	Market value as percentage of net assets
				As at July 01, 2025	Purchased during the year	Matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / loss		
			(%)	(Rupees in '000)							(%)	
Pak Kuwait Investment Company Limited	November 21, 2025	November 28, 2025	10.95	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	November 21, 2025	November 28, 2025	11.00	-	4,900,000	4,900,000	-	-	-	-	-	-
JS Bank Limited	November 21, 2025	November 28, 2025	10.96	-	4,000,000	4,000,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	December 01, 2025	December 02, 2025	11.05	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	December 01, 2025	December 02, 2025	11.02	-	6,000,000	6,000,000	-	-	-	-	-	-
United Bank Limited	December 02, 2025	December 03, 2025	11.00	-	1,650,000	1,650,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	December 02, 2025	December 03, 2025	11.00	-	2,600,000	2,600,000	-	-	-	-	-	-
United Bank Limited	December 03, 2025	December 04, 2025	10.95	-	4,900,000	4,900,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 21, 2025	December 05, 2025	11.00	-	2,400,000	2,400,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	November 21, 2025	December 05, 2025	11.00	-	500,000	500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	November 21, 2025	December 05, 2025	11.00	-	2,400,000	2,400,000	-	-	-	-	-	-
United Bank Limited	November 28, 2025	December 05, 2025	10.95	-	6,000,000	6,000,000	-	-	-	-	-	-
United Bank Limited	December 04, 2025	December 05, 2025	11.00	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	November 28, 2025	December 12, 2025	10.95	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	December 08, 2025	December 15, 2025	10.97	-	5,750,000	5,750,000	-	-	-	-	-	-
United Bank Limited	December 15, 2025	December 16, 2025	10.95	-	2,400,000	2,400,000	-	-	-	-	-	-
United Bank Limited	December 16, 2025	December 17, 2025	10.50	-	2,000,000	2,000,000	-	-	-	-	-	-
United Bank Limited	December 17, 2025	December 18, 2025	10.50	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	December 17, 2025	December 18, 2025	10.50	-	7,700,000	7,700,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	December 05, 2025	December 19, 2025	10.95	-	7,700,000	7,700,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	December 05, 2025	December 19, 2025	10.95	-	7,700,000	7,700,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	December 05, 2025	December 19, 2025	10.95	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	December 17, 2025	December 26, 2025	10.50	-	5,500,000	5,500,000	-	-	-	-	-	-
JS Bank Limited	December 17, 2025	December 26, 2025	10.50	-	2,500,000	2,500,000	-	-	-	-	-	-
JS Bank Limited	December 17, 2025	December 26, 2025	10.50	-	2,008,438	2,008,438	-	-	-	-	-	-
United Bank Limited	December 18, 2025	December 19, 2025	10.70	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	December 19, 2025	December 26, 2025	10.30	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	December 19, 2025	December 26, 2025	10.30	-	950,000	950,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	December 19, 2025	December 26, 2025	10.30	-	7,900,000	7,900,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	December 19, 2025	December 26, 2025	10.30	-	5,500,000	5,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	December 19, 2025	December 26, 2025	10.30	-	2,510,500	2,510,500	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	January 02, 2026	February 06, 2026	10.50	-	5,000,000	5,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	January 02, 2026	January 16, 2026	10.51	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	January 02, 2026	January 16, 2026	10.51	-	3,800,000	3,800,000	-	-	-	-	-	-
United Bank Limited	January 06, 2026	January 16, 2026	10.50	-	7,900,000	7,900,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 06, 2026	January 30, 2026	10.45	-	7,900,000	7,900,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	January 08, 2026	January 22, 2026	10.30	-	1,000,000	1,000,000	-	-	-	-	-	-
National Bank of Pakistan	January 08, 2026	January 16, 2026	10.30	-	7,800,000	7,800,000	-	-	-	-	-	-
JS Bank Limited	January 09, 2026	January 23, 2026	10.50	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	January 09, 2026	January 23, 2026	10.50	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	January 09, 2026	January 23, 2026	10.50	-	800,000	800,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	January 16, 2026	January 23, 2026	10.25	-	3,500,000	3,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	January 22, 2026	January 27, 2026	10.50	-	8,500,000	8,500,000	-	-	-	-	-	-
JS Bank Limited	January 23, 2026	January 30, 2026	10.35	-	2,400,000	2,400,000	-	-	-	-	-	-
JS Bank Limited	January 23, 2026	January 30, 2026	10.35	-	2,500,000	2,500,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	January 26, 2026	January 27, 2026	10.50	-	2,800,000	2,800,000	-	-	-	-	-	-
Samba Bank Limited	January 28, 2026	January 30, 2026	10.40	-	995,000	995,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	January 30, 2026	February 13, 2026	10.47	-	3,000,000	3,000,000	-	-	-	-	-	-
JS Bank Limited	January 30, 2026	February 27, 2026	10.40	-	950,000	950,000	-	-	-	-	-	-
JS Bank Limited	January 30, 2026	February 27, 2026	10.40	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	January 30, 2026	February 27, 2026	10.40	-	2,000,000	2,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	January 30, 2026	February 02, 2026	10.45	-	8,500,000	8,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	February 02, 2026	February 13, 2026	10.45	-	8,500,000	8,500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	February 02, 2026	March 13, 2026	10.45	-	8,507,301	8,507,301	-	-	-	-	-	-
Pak Brunei Investment Company Limited	February 03, 2026	February 06, 2026	10.50	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	February 06, 2026	February 20, 2026	10.44	-	8,500,000	8,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	February 13, 2026	February 27, 2026	10.45	-	8,526,769	8,526,769	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	February 20, 2026	March 06, 2026	10.44	-	8,534,037	8,534,037	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	February 25, 2026	February 26, 2026	10.50	-	2,500,000	2,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	February 27, 2026	March 13, 2026	10.45	-	7,500,000	7,500,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	March 02, 2026	March 03, 2026	10.50	-	3,165,000	3,165,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	March 03, 2026	March 04, 2026	10.50	-	3,114,000	3,114,000	-	-	-	-	-	-
Silk Bank Limited	March 03, 2026	March 13, 2026	10.45	-	995,000	995,000	-	-	-	-	-	-
JS Bank Limited	March 04, 2026	March 13, 2026	10.48	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	March 04, 2026	March 13, 2026	10.48	-	2,900,000	2,900,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	March 06, 2026	March 27, 2026	10.45	-	7,500,000	7,500,000	-	-	-	-	-	-
JS Bank Limited	March 06, 2026	March 27, 2026	10.45	-	2,000,000	2,000,000	-	-	-	-	-	-

Name of investee company	Issue date	Maturity date	Profit rate	Face value				As at June 30, 2026			Market value as percentage of total investments	Market value as percentage of net assets
				As at July 01, 2025	Purchased during the year	Matured during the year	As at June 30, 2026	Carrying value	Market value	Unrealised gain / loss		
			(%)	(Rupees in '000)							(%)	
Pak Brunei Investment Company Limited	March 09, 2026	March 10, 2026	10.50	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	March 10, 2026	March 12, 2026	10.50	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	March 13, 2026	March 19, 2026	10.50	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	March 13, 2026	March 26, 2026	10.45	-	7,530,062	7,530,062	-	-	-	-	-	-
JS Bank Limited	March 13, 2026	March 27, 2026	10.44	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	March 13, 2026	March 27, 2026	10.44	-	1,500,000	1,500,000	-	-	-	-	-	-
JS Bank Limited	March 13, 2026	March 27, 2026	10.44	-	1,400,000	1,400,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	March 27, 2026	March 30, 2026	9.85	-	4,500,000	4,500,000	-	-	-	-	-	-
JS Bank Limited	March 27, 2026	March 30, 2026	10.30	-	4,000,000	4,000,000	-	-	-	-	-	-
JS Bank Limited	March 27, 2026	March 30, 2026	10.30	-	2,900,000	2,900,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	March 13, 2026	April 17, 2026	10.50	-	5,000,000	5,000,000	-	-	-	-	-	-
Silk Bank Limited	April 13, 2026	April 24, 2026	10.48	-	990,000	990,000	-	-	-	-	-	-
JS Bank Limited	April 16, 2026	April 30, 2026	10.45	-	6,950,000	6,950,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	May 04, 2026	May 08, 2026	11.50	-	2,000,000	2,000,000	-	-	-	-	-	-
Samba Bank Limited	May 12, 2026	May 13, 2026	11.50	-	990,000	990,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	May 12, 2026	May 13, 2026	11.50	-	2,750,000	2,750,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	May 13, 2026	May 14, 2026	11.55	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	May 14, 2026	May 15, 2026	11.55	-	3,000,000	3,000,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	May 06, 2026	May 20, 2026	11.40	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	May 04, 2026	May 22, 2026	11.50	-	3,000,000	3,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	May 05, 2026	May 22, 2026	11.51	-	4,000,000	4,000,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	May 06, 2026	May 22, 2026	11.45	-	7,500,000	7,500,000	-	-	-	-	-	-
JS Bank Limited	May 08, 2026	May 22, 2026	11.44	-	5,000,000	5,000,000	-	-	-	-	-	-
JS Bank Limited	May 22, 2026	May 29, 2026	11.45	-	2,500,000	2,500,000	-	-	-	-	-	-
JS Bank Limited	May 22, 2026	May 29, 2026	11.45	-	2,500,000	2,500,000	-	-	-	-	-	-
JS Bank Limited	May 25, 2026	May 29, 2026	11.45	-	1,900,000	1,900,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	June 03, 2026	June 04, 2026	11.60	-	1,800,000	1,800,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	May 22, 2026	June 05, 2026	11.48	-	7,537,644	7,537,644	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	May 22, 2026	June 05, 2026	11.45	-	3,017,014	3,017,014	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	May 22, 2026	June 05, 2026	11.45	-	4,021,443	4,021,443	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	June 04, 2026	June 05, 2026	11.48	-	1,800,000	1,800,000	-	-	-	-	-	-
Pak Kuwait Investment Company Limited	June 04, 2026	June 05, 2026	11.40	-	2,500,000	2,500,000	-	-	-	-	-	-
JS Bank Limited	May 08, 2026	June 08, 2026	11.46	-	3,000,000	3,000,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	June 08, 2026	June 09, 2026	11.60	-	1,800,000	1,800,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	June 09, 2026	June 10, 2026	11.60	-	1,800,000	1,800,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	June 09, 2026	June 10, 2026	11.60	-	2,234,000	2,234,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	May 29, 2026	June 12, 2026	11.46	-	1,175,000	1,175,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	June 10, 2026	June 12, 2026	11.60	-	1,800,000	1,800,000	-	-	-	-	-	-
Pak Libya Holding Company (Private) Limited	June 11, 2026	June 12, 2026	11.60	-	2,175,000	2,175,000	-	-	-	-	-	-
Saudi Pak Industrial and Agricultural Investment Company Limited	May 25, 2026	June 16, 2026	11.50	-	2,500,000	2,500,000	-	-	-	-	-	-
JS Bank Limited	June 01, 2026	June 16, 2026	11.44	-	2,000,000	2,000,000	-	-	-	-	-	-
JS Bank Limited	June 01, 2026	June 16, 2026	11.44	-	3,500,000	3,500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	June 05, 2026	June 16, 2026	11.50	-	7,500,000	7,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	June 15, 2026	June 16, 2026	11.50	-	5,000,000	5,000,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	June 16, 2026	June 17, 2026	11.50	-	7,500,000	7,500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	June 16, 2026	June 17, 2026	11.50	-	7,500,000	7,500,000	-	-	-	-	-	-
Pak Brunei Investment Company Limited	June 17, 2026	June 18, 2026	11.50	-	7,502,363	7,502,363	-	-	-	-	-	-
Pak Brunei Investment Company Limited	June 18, 2026	June 19, 2026	11.55	-	7,504,727	7,504,727	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	June 18, 2026	June 19, 2026	11.55	-	4,500,000	4,500,000	-	-	-	-	-	-
Pak Oman Investment Company (Private) Limited	June 18, 2026	June 19, 2026	11.55	-	4,000,000	4,000,000	-	-	-	-	-	-
Pakistan Mortgage Refinance Company	June 18, 2026	June 19, 2026	11.70	-	2,500,000	2,500,000	-	-	-	-	-	-
As at June 30, 2026								-	-	-		

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
6.4	**Net unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss'**			
	Market value of investments	6.1.1, 6.1.2, 6.1.3 & 6.2	**11,885,539**	58,520,497
	Less: Carrying value of investments	6.1.1, 6.1.2, 6.1.3 & 6.2	**11,888,244**	58,483,951
			(2,705)	36,546

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
7.	**PROFIT RECEIVABLE**			
	Profit receivable on:			
	Bank deposits	7.1	**96,006**	11,744
	Pakistan Investment Bonds		**-**	17,033
			96,006	28,777

7.1 These include a markup receivable from Habib Bank Limited, a related party, amounting to Rs. 47.64 million (June 30, 2025: Rs. 19.65 million).

		Note	June 30, 2026	June 30, 2025
			---- (Rupees in '000) ----	
8.	**ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE**			
	Advance tax	8.1	**1,032**	1,032
	Prepaid rating fee		**139**	132
	Security deposits with Central Depository Company of Pakistan Limited		**100**	100
	Other receivable		**-**	55
			1,271	1,319

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

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

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
9.	**PAYABLE TO THE MANAGEMENT COMPANY**			
	Management remuneration payable	9.1	**43,974**	40,660
	Sindh sales tax payable on Management remuneration	9.2	**6,596**	6,099
	Sales load payable		**3,643**	13,236
			54,213	59,995

9.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Money Market Scheme is capped at 1.25% per annum, calculated on the basis of the average daily net assets, effective from July 1, 2025. Accordingly, the Management Company has charged management fees at a rate of 0.60% to 0.82% of the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

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

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
10.	**PAYABLE TO THE TRUSTEE**			
	Trustee fee payable	10.1	**2,950**	3,728
	Sindh sales tax payable on remuneration of the Trustee	10.2	**442**	559
			3,392	4,287

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund of 0.055% per annum of net assets under the provisions of the Trust Deed and tariff specified therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

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

		Note	June 30, 2026	June 30, 2025
			----- (Rupees in '000) -----	
11.	**PAYABLE TO SECP**			
	SECP fee payable	11.1	**4,021**	5,082

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

		Note	June 30, 2026	June 30, 2025
			---- (Rupees in '000) ----	
12.	**ACCRUED EXPENSES AND OTHER LIABILITIES**			
	Withholding tax payable		**527,700**	1,104,653
	Provision for Federal excise duty (FED)	12.1	**7,528**	7,528
	Brokerage payable		**125**	951
	Zakat payable		**530**	672
	Auditors' remuneration		**1,016**	524
	Legal charges payable		**150**	-
	Other payable		**4**	16
			537,053	1,114,344

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

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent,has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 7.53 million (June 30, 2025: Rs. 7.53 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Re. 0.010 per unit (June 30, 2025: Re. 0.007 per unit).

13. CONTINGENCIES AND COMMITMENTS

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

		June 30, 2026	June 30, 2025
		---- (Number of Units) ----	
14.	**NUMBER OF UNITS IN ISSUE**		
	Movement during the year		
	Total units in issue at the beginning	**1,166,561,151**	546,966,486
	Add: Units issued	**1,958,881,633**	2,707,635,656
	Less: Units redeemed	**2,381,236,444**	2,088,040,991
	Total units in issue at the end	**744,206,340**	1,166,561,151

15. AUDITORS' REMUNERATION	June 30, 2025	June 30, 2024
	---- (Rupees in '000) ----	
Annual audit fee	**679**	382
Fee for half yearly review	**279**	157
Other certifications	**231**	130
Out of pocket expenses	**96**	54
	1,285	723
Sales tax	**103**	58
	1,388	781

16. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

Since the management distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

17. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2026 is 1.05% (2025: 1.36%), which includes 0.20% (2025: 0.24%) representing government levy, SECP fee, and other related charges. However, Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CIS, effective from July 01, 2025.

18. CASH AND CASH EQUIVALENTS	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
Bank balances	5	**65,818,969**	63,200,140
Market Treasury Bills - 1 & 3 months	6.1.1	**3,725,136**	9,362,789
		69,544,105	72,562,929

19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / CONNECTED PERSONS

Related parties / connected persons include the Management Company, Habib Bank Limited being the Sponsor of the Management Company, the Trustee of the Fund, other collective investment schemes and pension schemes managed by the Management Company, directors and key management persons and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

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

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

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

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

		June 30, 2026	June 30, 2025
19.1	**Details of transactions with related parties / connected persons during the year:**	----- (Rupees in '000) -----	
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	**677,776**	867,417
	Sindh Sales Tax on remuneration of the Management company	**101,666**	130,112
	Issue of 43,659,368 units (2025: 37,250,323 units)	**4,640,328**	4,107,860
	Redemption of 39,934,104 units (2025: 25,697,756 units)	**4,281,588**	2,893,000
	Dividend paid	**-**	16,853
	Amount received from Management Company against issuance to unitholders*	**-**	6,239
	Central Depository Company of Pakistan Limited - Trustee		
	Remuneration of the Trustee	**47,505**	45,074
	Sindh Sales Tax on remuneration of the Trustee	**7,126**	6,761
	CDC service charges	**7**	4
	Habib Bank Limited - Sponsor		
	Bank charges paid	**1,062**	1,324
	Profit on savings accounts	**550,382**	490,575
	Purchase of Pakistan Investment Bonds	**5,092,746**	-
	Purchase of Market Treasury Bills	**35,462,808**	35,878,498
	Sale of Market Treasury Bills	**8,358,298**	49,708,580
	Directors and Executives of the Management Company		
	Issuance of 2,988,941 units (2025: 4,838,300 units)	**313,410**	510,809
	Redemption of 3,776,781 units (2025: 3,052,560 units)	**410,009**	335,990
	Dividend paid	**-**	67
	HBL Asset Management Limited - Employee Gratuity Fund - Associate		
	Issuance of 681,234 units (2025: 422,105 units)	**73,517**	47,948
	Redemption of 565,637 units (2025: 150,160 units) **60,000**		16,800
	Dividend paid	**-**	3,107
	HBL Asset Management Limited - Employee Provident Fund - Associate		
	Issuance of units Nil units (2025: 1,178,983 units)	**-**	128,288
	Redemption of 1,065,188 units (2025: 664,885 units)	**113,500**	74,200
	Dividend paid	**-**	3,677
	1 LINK (Private) Limited - Connected person due to holding of more than 10% units		
	Issuance of units Nil units (2025: 26,859,305 units)	**-**	2,938,489
	Redemption of 14,747,720 units (2025: 21,945,305 units)	**1,582,139**	2,500,461
	Dividend paid	**-**	20,405
	Jubilee General Insurance Company Limited - Associate		
	Issuance of 8,148,609 (2025: 15,301,643 units)	**900,000**	1,700,000
	Redemption of 8,148,609 (2025: 21,131,549 units)	**903,632**	2,318,401
	Oil And Gas Development Company Limited Employees Pension Fund - due to holding of more than 10% units		
	Redemption of 56,615,231 (2025: Nil units)	**6,031,804**	-

		June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
	Oil And Gas Development Company Limited - due to holding of more than 10% units		
	Issuance of 197,075,758 (2025: Nil units)	**20,838,777**	-
	Redemption of 114,432,056 (2025: Nil units)	**12,401,956**	-
	Mutual Funds Association of Pakistan - Due to Common Directorship		
	Issuance of Nil units (2025: 3,227 units)	**-**	444
	Redemption of 33,107 units (2025: 51,112 units)	**3,407**	5,516
	Dividend paid	**-**	444
	Pakistan Reinsurance Company Limited - Associate		
	Issuance of Nil units (2025: 14,537,576 units)	**-**	1,624,319
	Redemption of 1,1482,789 units (2025: Nil units) **1,250,000**		-
	Dividend paid	**22,014**	2,613
	Pakistan Petroleum Limited - Due to Common Directorship		
	Issuance of Nil units (2025: 62,095,702 units)	**-**	6,600,180
	Redemption of Nil units (2025: 62,095,702 units)	**-**	6,878,244
	Dividend paid	**-**	-
	CDC Trustee HBL Financial Sector Income Fund - Connected Party		
	Purchase of Market Treasury Bills	**-**	1,328,697
	Sale of Market Treasury Bills	**-**	249,730
	CDC Trustee HBL Government Securities Fund		
	Purchase of Market Treasury Bills	**299,429**	773,778
	Sale of Market Treasury Bills	**-**	398,293
	HBL Micro Finance Bank Limited		
	Purchase of Market Treasury Bills	**-**	290,810
	Sale of Market Treasury Bills	**-**	1,993,978
	CDC Trustee HBL Income Fund - Connected Party		
	Purchase of Pakistan Investment Bonds	**291,116**	-
	Purchase of Market Treasury Bills	**-**	713,082
	CDC Trustee HBL Pension Fund - Money Market Fund-Connected Party		
	Sale of Market Treasury Bills	**-**	5,275
	CDC Trustee HBL Money Market Fund - Connected Party		
	Sale of Pakistan Investment Bonds	**6,366,810**	-
	Purchase of Pakistan Investment Bonds	**2,182,406**	-
	Purchase of Market Treasury Bills	**9,572,024**	919,466
	Sale of Market Treasury Bills	**11,048,813**	2,243,650
19.2	**Balances outstanding as at the year end**		
	HBL Asset Management Limited		
	Remuneration payable to the Management Company	**43,974**	40,660
	Sindh Sales Tax payable on Management Company's remuneration	**6,596**	6,099
	Sales load payable	**3,643**	13,236
	Units held: 15,281,818 units (June 30, 2025: 11,556,555 units)	**1,585,067**	1,194,399

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable (including sales tax)	**3,392**	4,287
Security deposit held	**100**	100
Habib Bank Limited - Sponsor		
Bank balances	**65,162,750**	62,140,006
Profit receivable	**47,642**	19,650
Directors and Executives of the Management Company		
Units held: 1,308,850 units (June 30, 2025: 2,104,083 units)	**135,757**	217,462
HBL Asset Management Limited - Employee Gratuity Fund - Associate		
Units held: 535,102 units (June 30, 2025: 419,506 units)	**55,502**	43,357
HBL Asset Management Limited - Employee Provident Fund - Associate		
Units held: 1,106,734 (June 30, 2025: 792,203 units)	**114,793**	81,876
Oil And Gas Development Company Limited - due to holding of more than 10% units		
Units held: 82,643,701 units (June 30, 2025: Nil units)	**8,572,003**	-
1 LINK (Private) Limited - Connected person due to holding of more than 10% units		
Units held: Nil units (June 30, 2025: 14,747,720 units)	**-**	1,524,214
Mutual Funds Association of Pakistan - Due to Common Directorship		
Units held: Nil units (June 30, 2025: 33,107 units)	**-**	3,422
Pakistan Reinsurance Company Limited - Associate		
Units held: 3,054,787 (June 30, 2025: 14,537,576)	**316,850**	1,502,495

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

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Particulars	As at June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Government Securities	**11,885,539**	**-**	**11,885,539**	**-**	**11,885,539**	**-**	**11,885,539**
Financial assets not measured at fair value							
Bank balances	**-**	**65,818,969**	**65,818,969**				
Profit receivable	**-**	**96,006**	**96,006**				
Deposits and other receivable	**-**	**100**	**100**				
	-	**65,915,075**	**65,915,075**				
Financial liabilities not measured at fair value							
Payable to the Management Company	**-**	**47,617**	**47,617**				
Payable to the Trustee	**-**	**2,950**	**2,950**				
Payable against redemption of units	**-**	**12,208**	**12,208**				
Accrued expenses and other liabilities	**-**	**1,204**	**1,204**				
	-	**63,979**	**63,979**				

During the year ended June 30, 2026, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	As at June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Government Securities	58,520,497	-	58,520,497	-	58,520,497	-	58,520,497
Financial assets not measured at fair value							
Bank balances	-	63,200,140	63,200,140				
Profit receivable	-	28,777	28,777				
Deposits	-	155	155				
	-	63,229,072	63,229,072				

Particulars	As at June 30, 2025						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial liabilities not measured at fair value							
Payable to the Management Company	-	53,896	53,896				
Payable to the Trustee	-	3,728	3,728				
Accrued expenses and other liabilities	-	1,328	1,328				
	-	58,952	58,952				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

21. FINANCIAL RISK MANAGEMENT

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

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

21.1 Market risk

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

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

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

21.1.1 Currency risk

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

21.1.2 Yield / interest rate risk

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

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

	June 30, 2026	June 30, 2025
Variable rate instrument (financial asset)	**----(Rupees in '000) ----**	
Bank balances	**65,818,964**	63,200,135
Fixed rate instrument (financial asset)		
Government securities	**11,885,539**	58,520,497

a) Sensitivity analysis for variable rate instruments

As at June 30, 2026, the Fund holds KIBOR based bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net assets value of the Fund and the net income for the year would have been higher / lower by Rs. 658.189 million (June 30, 2025: Rs. 632.001 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund holds Government Securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by Financial Markets Association of Pakistan on June 30, 2026, the net income for the year and net assets would be lower / higher by Rs. 118.856 million (June 30, 2025: Rs. 585.205 million).

	June 30, 2026					
	Yield / effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	--- (%) ---	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	8 to 13.15	**65,818,964**	**-**	**-**	**5**	**65,818,969**
Investments						
- Government securities	10.52 to 11.92	**7,791,926**	**4,093,613**	**-**	**-**	**11,885,539**
Profit receivable		**-**	**-**	**-**	**96,006**	**96,006**
Deposits and other receivable		**-**	**-**	**-**	**100**	**100**
		73,610,890	**4,093,613**	**-**	**96,111**	**77,800,614**
Financial Liabilities						
Payable to Management Company		**-**	**-**	**-**	**47,617**	**47,617**
Payable to Trustee		**-**	**-**	**-**	**2,950**	**2,950**
Payable against redemption of units		**-**	**-**	**-**	**12,208**	**12,208**
Accrued expenses and other liabilities		**-**	**-**	**-**	**1,204**	**1,204**
		-	**-**	**-**	**63,979**	**63,979**

	As at June 30, 2025					
	Yield / effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	--- (%) ---	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	9 to 13.5	63,200,135	-	-	5	63,200,140

	As at June 30, 2025					
	Yield / effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	--- (%) ---	---------- (Rupees in '000) ----------				
- Government securities	10.95 to 12	29,260,716	29,259,781	-	-	58,520,497
Profit receivable		-	-	-	28,777	28,777
Deposits and other receivable		-	-	-	155	155
		92,460,851	29,259,781	-	28,937	121,749,569
Financial liabilities						
Payable to Management Company		-	-	-	53,896	53,896
Payable to Trustee		-	-	-	3,728	3,728
Accrued expenses and other liabilities		-	-	-	1,328	1,328
		-	-	-	58,952	58,952

21.1.3 Price risk

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

21.2 Credit risk

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

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

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

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

		June 30, 2026		June 30, 2025	
		Balance as per statement of assets and liabilities	**Maximum exposure to credit risk**	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Note	---------- **(Rupees in '000')** ----------			
Bank balances	5	**65,818,969**	**65,818,969**	63,200,140	63,200,140
Investments	6	**11,885,539**	**-**	58,520,497	-
Profit receivable	7	**96,006**	**96,006**	28,777	11,744
Deposits and other receivable	8	**100**	**100**	155	155
		77,800,614	**65,915,075**	121,749,569	63,212,039

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

Name of bank	Balances held by the Fund as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	(Rupees in '000)		
Balances with banks by rating category			
Habib Bank Limited	**65,162,750**	**AAA**	**VIS**
Bank Alfalah Limited	**47,529**	**AAA**	**PACRA**
United Bank Limited	**537,751**	**AAA**	**VIS**
Bank Al Habib Limited	**70**	**AAA**	**PACRA**
Soneri Bank Limited	**70,378**	**AA**	**PACRA**
Allied Bank Limited	**85**	**AAA**	**PACRA**
MCB Bank Limited	**76**	**AAA**	**PACRA**
Faysal Bank Limited	**70**	**AA+**	**PACRA**
Zarai Taraqiati Bank Limited	**65**	**AAA**	**VIS**
Dubai Islami Bank	**46**	**AA**	**VIS**
Habib Metropolitan Bank Limited	**94**	**AAA**	**PACRA**
Sindh Bank Limited	**27**	**AA**	**VIS**
Samba Bank Limited	**15**	**AA**	**PACRA**
National Bank Limited	**13**	**AAA**	**PACRA**
	65,818,969		

Name of bank	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	(Rupees in '000)		
Balances with banks by rating category			
Habib Bank Limited	62,140,006	AAA	VIS
Bank Alfalah Limited	951,784	AAA	PACRA
United Bank Limited	87,445	AAA	VIS
Bank Al Habib Limited	20,211	AAA	PACRA
Soneri Bank Limited	251	AA-	PACRA
Allied Bank Limited	85	AAA	PACRA
MCB Bank Limited	76	AAA	PACRA
Faysal Bank Limited	70	AA	PACRA
Zarai Taraqiati Bank Limited	65	AAA	VIS
Bank Islami Pakistan Limited	46	AA-	PACRA
Habib Metropolitan Bank Limited	46	AA+	PACRA
Sindh Bank Limited	27	AA-	VIS
Samba Bank Limited	15	AA	PACRA
National Bank Limited	13	AAA	PACRA
	63,200,140		

Investments in Government Securities do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and management does not expect to incur any credit loss on such investment.

Concentration of credit risk

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

Settlement risk

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

21.3 Liquidity risk

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

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

		June 30, 2026					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Note	---------- (Rupees in '000) ----------					
Financial assets							
Bank balances	5	65,818,969	-	-	-	-	65,818,969
Investments	6	-	7,791,926	4,093,613	-	-	11,885,539
Profit receivable	7	96,006	-	-	-	-	96,006
Deposits and other receivables	8	100	-	-	-	-	100
		65,915,075	7,791,926	4,093,613	-	-	77,800,614
Financial liabilities							
Payable to Management Company	9	47,617	-	-	-	-	47,617
Payable to Trustee	10	2,950	-	-	-	-	2,950
Payable against redemption of units		12,208	-	-	-	-	12,208
Accrued expenses and other liabilities	12	1,204	-	-	-	-	1,204
		63,979	-	-	-	-	63,979
On-balance sheet gap		65,851,096	7,791,926	4,093,613	-	-	77,736,635
Total liquidity risk sensitivity gap		65,851,096	7,791,926	4,093,613	-	-	
Cumulative liquidity risk sensitivity gap		65,851,096	73,643,022	77,736,635	77,736,635	77,736,635	

	Note	June 30, 2025					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		---------- (Rupees in '000) ----------					
Financial assets							
Bank balances	5	63,200,140	-	-	-	-	63,200,140
Investments	6	-	29,260,716	29,259,781	-	-	58,520,497
Profit receivable	7	11,744	17,033	-	-	-	28,777
Deposits and other receivables	8	155	-	-	-	-	155
		63,212,039	29,277,749	29,259,781	-	-	121,749,569
Financial liabilities							
Payable to Management Company	9	53,896	-	-	-	-	53,896
Payable to Trustee	10	3,728	-	-	-	-	3,728
Accrued expenses and other liabilities	12	1,328	-	-	-	-	1,328
		58,952	-	-	-	-	58,952
On-balance sheet gap		63,153,087	29,277,749	29,259,781	-	-	121,690,617
Total liquidity risk sensitivity gap		63,153,087	29,277,749	29,259,781	-	-	
Cumulative liquidity risk sensitivity gap		63,153,087	92,430,836	121,690,617	121,690,617	121,690,617	

22. UNITS HOLDERS' FUND RISK MANAGEMENT

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

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

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

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

The Fund has maintained and complied with the requirements of minimum fund size of Rs.100 million during the current year.

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

Top ten brokers during the year ended June 30, 2026

1. Currency Market Associates (Private) Limited
2. C & M Management (Private) Limited
3. Vector Securities (Private) Limited
4. Invest One Market Limited
5. Continental Exchange (Private) Limited
6. Optimus Capital Management (Private) Limited
7. BMA Capital Management Limited

8. AKD Securities Limited
9. First Credit And Investment Bank Limited
10. Summit Capital (Private) Limited

Top ten brokers during the year ended June 30, 2025

1. A.H.M. Securities (Private) Limited
2. Aba Ali Habib Securities (Private) Limited
3. Adam Securities Limited
4. AKD Securities Limited
5. Akik Capital (Private) Limited
6. AL Habib Capital Markets (Private) Limited
7. Alfalah CLSA Securities (Private) Limited
8. Alpha Capital (Private) Limited
9. Amanah Investments Limited
10. Arif Habib 1857 (Private) Limited

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S.no	Name	Designation	Qualification	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3.	Mr. Amin Mohammad	Head of Risk	MBA	34
4.	Mr. Sunny Kumar	Head of Equities	B. Com	8
5.	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	22
6.	Mr. Wasim Akram	Senior Fund Manager	MBA	23
7.	Ms. Nida Siddiqui	Assistant Fund Manager	MBA	1

25. PATTERN OF UNITHOLDING

Category	June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
		--- (Rupees in '000) ---		--- (%) ---
Associated Company	1	11,556,555	763,622	0.99
Trusts	27	2,716,851	179,521	0.23
Insurance Companies	11	17,478,024	1,154,895	1.50
Retirement Funds	49	84,210,682	5,564,389	7.23
Other Corporates	203	474,965,637	31,384,311	40.71
Individuals	4,694	565,869,637	37,390,974	48.50
Foreign Individuals	25	9,431,285	623,191	0.81
Foreign Others	3	332,480	21,969	0.03
	5,013	1,166,561,151	77,082,872	100.00

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

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

Name of Director	Number of meetings		Leaves granted	Meetings not attended
	Held	Attended		
1. Mr. Shahid Ghaffar	9	9	-	-
2. Ms. Ava A. Cowasjee	9	8	1	June 04,2026
3. Mr. Khalid Malik	9	9	-	-
4. Mr. Tariq Masaud	9	8	1	October 30, 2025
5. Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026,
6. Mr. Mir Adil Rashid	9	9	-	-
7. Ms. Sheeza Ahmed	9	9	-	-
8. Mr. Irfan Ahmed Meer***	3	2	1	April 29, 2026
9. Dr. Sahar Awan***	3	3	-	-
10. Mr. Rayomond H. Kotwal**	6	5	1	December 22, 2025
11. Mr. Habib Yousuf Habib*	3	3	-	-

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

27. CORRESPONDING FIGURES

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

28. GENERAL

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

29. DATE OF AUTHORISATION FOR ISSUE

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL Stock Fund

FUND INFORMATION

NAME OF FUND	HBL Stock Fund
NAME OF AUDITOR	A.F. Ferguson & Co.
NAME OF TRUSTEE	Central Depository of Pakistan Limited
BANKERS	Habib Bank Limited Allied Bank Limited MCB Bank Limited JS Bank Limited Soneri Bank Limited Zarai Taraqiati Bank Limited Habib Metropolitan Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited National Bank of Pakistan HBL Micro Finance Bank Limited

Type and Category of Fund

Open end Equity Fund

Investment Objective and Accomplishment of Objective

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

Benchmark and Performance Comparison with Benchmark

KSE30 (Total Return) Index

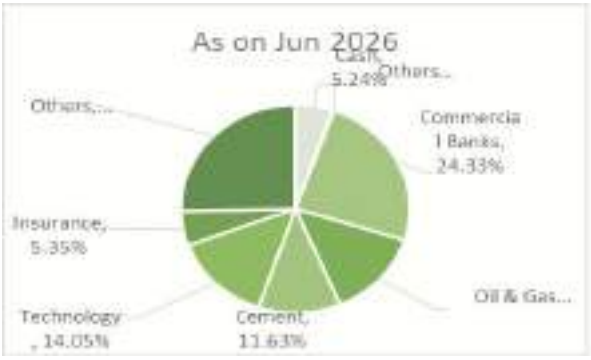
The comparison of the fund return with benchmark is given below:

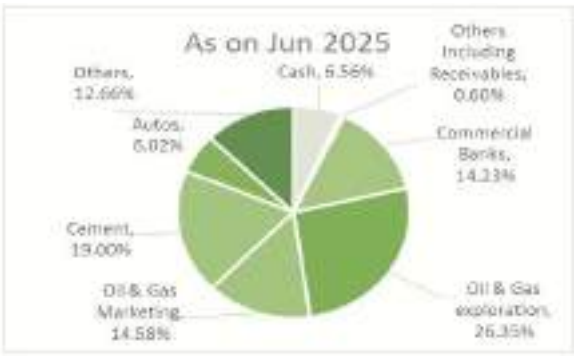
Month	Return of fund	
	HBL-SF	Benchmark
Jun-26	4.09%	2.97%
May-26	6.30%	7.00%
Apr-26	-10.49%	9.41%
Mar-26	-13.65%	-10.61%
Feb-26	-10.36%	-8.93%
Jan-26	3.37%	5.96%
Dec-25	4.68%	4.86%
Nov-25	2.35%	3.50%
Oct-25	-3.53%	-1.85%
Sept-25	13.92%	12.65%
Aug-25	8.95%	7.18%
Jul-25	6.53%	11.70%

Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equity from 92.84% of total assets as on June 30, 2025 to 94.48% as on June 30, 2026. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, sector wise exposure in commercial Banks, technology, others and insurance has increased, while exposure in oil and gas exploration, oil and gas marketing, autos and cement has decreased.

Asset Allocation





Significant Changes in Asset Allocation during the Year

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

Month	As on Jun 2026	As on Jun 2025
Cash	5.24%	6.56%
Others Including Receivables	0.28%	0.60%
Commercial Banks	24.33%	14.23%
Oil & Gas exploration	13.75%	26.35%
Oil & Gas Marketing	0.00%	14.58%
Cement	11.63%	19.00%
Autos	0.00%	6.02%
Technology	14.05%	0.00%
Insurance	5.35%	0.00%
Others	25.37%	12.66%
Total	**100.00%**	**100.00%**

Fund Performance

The total and net income of the Fund was Rs. 493.48 million and Rs. 366.76 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs 227.5969 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.25 per unit) as compared to Rs 170.4469 per unit as on June 30, 2025, thereby giving a return of 33.67%. During the same period the benchmark KSE 30 index yielded a return of 49.38%. The size of Fund was Rs 2.75 billion as on June 30, 2026 as compared to Rs. 0.75 billion at the start of the year.

Market Review

During FY2026, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KSE All-Share Index rising to 911 million shares (up 44% from 633 million shares in the same period last year). Average daily traded value surged 51% to PKR 42.5 billion, up from PKR 28.15 billion.

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

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

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

Distribution

The Fund has distributed cash dividend up-to Rs. 0.25 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

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

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	734	15,782
101 - 500	341	91,513
501 - 1,000	150	111,263
1,001 - 10,000	451	1,687,503
10,001 - 100,000	160	4,193,951
100,001 - 500,000	24	4,199,393
500,001 - 1,000,000	2	1,768,886
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**1,862**	**12,068,291**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL STOCK FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end (Rs'000)	2,747	753,242	225,237	160,231	235,637	951,345
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	227.5969	170.4469	120.5342	69.6596	112.1020	112.1020
Offer	232.8316	174.3672	123.9393	71.6275	115.2689	115.2689
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	254.6143	190.5245	130.6606	78.1552	117.5302	117.1157
Lowest offer price per unit	179.1822	123.1782	76.2406	64.4225	73.6953	90.2495
Highest redemption price per unit	248.8898	186.2410	130.6606	76.0080	114.3012	113.8981
Lowest redemption price per unit	175.1537	120.4088	74.1460	62.6526	71.6706	87.7700
RETURN (%)						
Total return	33.67%	41.41%	85.59%	-3.15%	-35.84%	29.83%
Income distribution	0.15%	0.00%	12.56%	0.00%	0.00%	0.00%
Capital growth	33.52%	41.41%	73.03%	-3.15%	-35.84%	29.83%
DISTRIBUTION						
Final dividend distributation (Rs)	0.25	-	8.75	-	-	-
Date of Income Distribution	24-Jun-26	-	28-Jun-24	-	-	-
Total dividend distribution for the year/ period (Rs)	0.25	-	8.75	-	-	-
AVERAGE RETURNS (%)						
Average annual return 1 year	33.67%	41.41%	85.59%	-3.15%	-35.84%	29.83%
Average annual return 2 year	37.49%	62.00%	34.07%	-21.17%	-8.73%	11.77%
Average annual return 3 year	51.95%	36.47%	4.87%	-6.91%	-7.11%	1.54%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	5.24%	6.56%	18%	19%	17%	7%
Stock / Equities	94.48%	92.84%	79%	72%	80%	59%
Placement with Banks and DFIs	0%	0%	0%	0%	0%	0%
Others Including Receivables	0.28%	0.60%	2%	9%	2%	35%

Note:

The Launch date of the Fund is August 31, 2007

Disclaimer:

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

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021-23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL STOCK FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Stock Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

pwc A·F·FERGUSON&CO.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Stock Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Stock Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 145.580 million and investments of the Fund amounted to Rs. 2,751.020 million as at June 30, 2026. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 29, 2026
UDIN: AR202610061S4F6PIsql

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

	Note	2026	2025
ASSETS		-------- Rupees in '000 --------	
Bank balances	4	145,580	129,325
Investments	5	2,751,020	743,371
Dividend and profit receivable	6	2,162	1,273
Advances and deposits - net	7	3,111	3,111
Receivable against sale of investments		7,950	-
Receivable against conversion of units		6,603	-
Receivable from HBL Asset Management Limited - Management Company		-	1,232
Total assets		2,916,426	878,312
LIABILITIES			
Payable to HBL Asset Management Limited - Management Company	8	8,565	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee	9	355	148
Payable to the Securities and Exchange Commission of Pakistan	10	215	60
Payable against purchase of investments		63,434	-
Payable against redemption and conversion of units		51,702	79,210
Dividend payable		25	-
Accrued expenses and other liabilities	11	45,424	41,963
Total liabilities		169,720	125,070
NET ASSETS		2,746,706	753,242
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		2,746,706	753,242
CONTINGENCIES AND COMMITMENTS	12		
		-------- Number of units --------	
NUMBER OF UNITS IN ISSUE	13	12,068,291	4,419,218
		-------- Rupees --------	
NET ASSET VALUE PER UNIT	3.7	227.5969	170.4469

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	2026	2025
		------- Rupees in '000 -------	
INCOME			
Dividend income		116,331	18,638
Profit on savings accounts with banks		11,076	7,435
Gain on sale of investments - net		270,010	93,455
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	96,062	64,388
		366,072	157,843
Total income		493,479	183,916
EXPENSES			
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	8.1 & 8.2	87,114	18,409
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	9.1 & 9.2	4,054	1,364
Fee to the Securities and Exchange Commission of Pakistan	10.1	2,399	563
Securities transaction costs		29,320	7,827
Auditor's remuneration	14	1,564	1,414
Settlement and bank charges		2,273	871
Fees and subscription		-	226
Reimbursement from HBL Asset Management Limited - Management Company		-	(1,232)
Total expenses		126,724	29,442
Net income for the year before taxation		366,755	154,474
Taxation	16	-	-
Net income for the year after taxation		366,755	154,474
Allocation of net income for the year			
Net income for the year after taxation		366,755	154,474
Income already paid on redemption of units		(31,923)	(84,376)
		334,832	70,098
Accounting income available for distribution			
- Relating to capital gains		334,832	70,098
- Excluding capital gains		-	-
		334,832	70,098

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL STOCK FUND
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2026

	2026	2025
	------- Rupees in '000 -------	
Net income for the year after taxation	366,755	154,474
Other comprehensive income for the year	-	-
Total comprehensive income for the year	366,755	154,474

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	2026			2025		
	Capital value	Accumulated losses	Total	Capital value	Accumulated losses	Total
	Rupees in '000					
Net assets at the beginning of the year	1,815,904	(1,062,662)	753,242	1,357,996	(1,132,760)	225,236
Issuance of 54,581,216 units (2025: 14,341,285 units)						
- Capital value (at net asset value per unit at the beginning of the year)	9,303,199	-	9,303,199	1,728,615	-	1,728,615
- Element of income	2,553,701	-	2,553,701	529,414	-	529,414
Total proceeds on issuance of units	11,856,900	-	11,856,900	2,258,029	-	2,258,029
Redemption of 46,932,143 units (2025: 11,790,719 units)						
- Capital value (at net asset value per unit at the beginning of the year)	(7,999,438)	-	(7,999,438)	(1,421,185)	-	(1,421,185)
- Element of loss	(2,195,868)	(31,923)	(2,227,791)	(378,936)	(84,376)	(463,312)
Total payments on redemption of units	(10,195,306)	(31,923)	(10,227,229)	(1,800,121)	(84,376)	(1,884,497)
Total comprehensive income for the year	-	366,755	366,755	-	154,474	154,474
Final distribution for the year ended June 30, 2026 (cash distribution @ Re. 0.25 per unit declared on June 24, 2026)	-	(2,223)	(2,223)	-	-	-
Refund of capital	(739)	-	(739)	-	-	-
Net income for the year less distribution	(739)	(2,223)	(2,962)	-	-	-
Net assets at the end of the year	**3,476,759**	**(730,053)**	**2,746,706**	**1,815,904**	**(1,062,662)**	**753,242**
Accumulated loss brought forward comprising of:						
- Realised loss		(1,127,050)			(1,158,465)	
- Unrealised gain		64,388			25,705	
		(1,062,662)			(1,132,760)	
Accounting income available for distribution:						
- Relating to capital gains		334,832			70,098	
- Excluding capital gains		-			-	
		334,832			70,098	
Final distribution for the year ended June 30, 2026 (cash distribution @ Re. 0.25 per unit declared on June 24, 2026)		(2,223)			-	
Accumulated loss carried forward		(730,053)			(1,062,662)	
Accumulated loss carried forward comprising of:						
- Realised loss		(826,115)			(1,127,050)	
- Unrealised income		96,062			64,388	
		(730,053)			(1,062,662)	
			(Rupees)			(Rupees)
Net asset value per unit at the beginning of the year			170.4469			120.5342
Net asset value per unit at the end of the year			227.5969			170.4469

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		-------- Rupees in '000 --------	
Net income for the year before taxation		366,755	154,474
Adjustments for:			
Profit on savings accounts with banks		(11,076)	(7,435)
Dividend income		(116,331)	(18,638)
Gain on sale of investments - net		(270,010)	(93,455)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.2	(96,062)	(64,388)
		(126,724)	(29,442)
(Increase) / decrease in assets			
Investments - net		(1,586,093)	(374,249)
Receivable from HBL Asset Management Limited - Management Company		1,232	620
		(1,584,861)	(373,629)
Decrease in liabilities			
Payable to HBL Asset Management Limited - Management Company		4,876	3,071
Payable to Central Depository Company of Pakistan Limited - Trustee		207	109
Payable to the Securities and Exchange Commission of Pakistan		155	44
Accrued expenses and other liabilities		3,461	1,711
		8,699	4,935
		(1,702,886)	(398,136)
Profit received on savings accounts with banks		10,318	7,469
Dividend received		116,200	19,078
Net cash used in operating activities		(1,576,368)	(371,589)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts against issuance and conversion of units - net		11,849,558	2,258,029
Payment against redemption and conversion of units		(10,254,737)	(1,805,287)
Cash dividend paid		(2,198)	(1,638)
Net cash generated from financing activities		1,592,623	451,104
Net increase in cash and cash equivalents during the year		16,255	79,515
Cash and cash equivalents at the beginning of the year		129,325	49,810
Cash and cash equivalents at the end of the year	4	145,580	129,325

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Stock Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed under the Trust Act, 1882 on August 09, 2007 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on August 21, 2007. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trust Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on September 8, 2021, the above-mentioned Trust Deed was registered under the Sindh Trust Act.

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

1.3 The Fund has been categorised as an open ended equity scheme by the Board of Directors of the Management Company pursuant to the provisions contained in Circular 7 of 2009 and is listed on the Pakistan Stock Exchange. The units of the Fund were initially offered for public subscription at a par value of Rs. 10 per unit from August 29, 2007 to August 31, 2007.

1.4 The principal objective of the Fund is to focus on undervalued stocks of companies offering prospects for capital growth by investing in equity instruments and Market Treasury Bills of less than 90 days maturity.

1.5 VIS Credit Rating Company Limited (VIS) has reaffirmed the Management Quality Rating at 'AM1' dated December 31, 2025 (2025: 'AM1' dated December 31, 2024) and the outlook on the assigned rating remains 'Stable' (2025: Stable). The rating reflects the Management Company's adequate corporate governance framework with a well structured Board and Committees, experienced management team, and adherence to best governance practices, supporting sustained growth.

1.6 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been disclosed in these financial statements.

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

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or will not have any material effect on the Fund's financial statements except for the following:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) is effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the 'Income Statement' with certain additional disclosures in the financial statements; and

- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact timing of recognition and derecognition of financial assets and financial liabilities.

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

2.4 Critical accounting estimates and judgments

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

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (Notes 3.3 and 5) and the provision for federal excise duty (Note 11.1).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss', which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets have been disclosed in Note 20.

2.6 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

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

3.2 Cash and cash equivalents

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

3.3 Financial assets

3.3.1 Initial recognition and measurement

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

3.3.2 Classification and subsequent measurement

Equity instruments

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

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

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

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

3.3.2.1 Impairment

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

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

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

3.3.2.2 Regular way contracts

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

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

3.3.2.3 Derecognition

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

3.4 Financial liabilities

All financial liabilities are recorded at the time when the Fund becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost. A financial liability is discharged when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.5 Offsetting of financial assets and financial liabilities

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

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

3.6 Provisions

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

3.7 Net asset value per unit

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

3.8 Issuance and redemption of units

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

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that date. The redemption price is equal to NAV as of the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction cost, if applicable.

3.9 Distributions to unit holders

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

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

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

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

3.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on savings accounts with banks is recognised on a time proportion basis using the effective yield method.

3.12 Expenses

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

3.13 Taxation

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

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

4 BANK BALANCES	Note	2026	2025
		------- Rupees in '000 -------	
Balances with banks in:			
Savings accounts	4.1	145,565	129,310
Current accounts		15	15
		145,580	129,325

4.1 These include balances of Rs. 95.968 million (2025: Rs. 2.331 million) with Habib Bank Limited (a related party) carrying profit at the rate of 10.47% (2025: 11.11%) per annum and Rs. 0.685 million (2025: Rs. 0.686 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 12.00% (2025: 11.25%) per annum. Other savings accounts of the Fund carry profit at the rate of 9.50% (2025: 9.50%) per annum.

		Note	2026	2025
5	**INVESTMENTS**		------- Rupees in '000 -------	
	At fair value through profit or loss			
	- Quoted equity securities	5.1	2,751,020	743,371

5.1 Quoted equity securitiies

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Total market value of investments	Net assets of the Fund	
	---------- (Number of shares) ----------					---------- Rupees in '000' ----------			----------%----------		
CEMENT											
Attock Cement Pakistan Limited	69,000	-	-	69,000	-	-	-	-	-	-	-
Cherat Cement Company Limited (note 5.1.2)	-	196,000	-	62,096	133,904	46,678	46,321	(357)	1.68%	1.69%	
D.G. Khan Cement Company Limited (note 5.1.2)	213,000	513,500	-	532,000	194,500	40,568	43,426	2,858	1.58%	1.58%	0.07%
Fauji Cement Company Limited (note 5.1.2)	920,000	2,620,000	-	2,780,000	760,000	39,439	43,738	4,299	1.59%	1.59%	0.04%
Kohat Cement Company Limited (note 5.1.1)	-	155,334	-	-	155,334	14,480	17,106	2,626	0.62%	0.62%	0.03%
Lucky Cement Limited (notes 5.1.1 & 5.1.2)	-	841,000	-	606,000	235,000	104,472	110,337	5,865	4.01%	4.02%	0.02%
Maple Leaf Cement Factory Limited (note 5.1.2)	660,000	2,937,005	-	3,016,005	581,000	54,076	62,115	8,039	2.26%	2.26%	0.02%
Power Cement Limited	-	3,523,248	-	2,850,000	673,248	12,424	15,505	3,081	0.56%	0.56%	0.06%
						312,137	**338,548**	**26,411**	**12.31%**	**12.33%**	0.05%
POWER GENERATION & DISTRIBUTION											
K-Electric Limited (note 5.1.1)	-	10,000,000	-	7,400,000	2,600,000	16,771	22,204	5,433	0.81%	0.81%	
Nishat Chunian Power Limited	-	628,000	-	205,000	423,000	29,400	27,288	(2,112)	0.99%	0.99%	0.01%
Nishat Power Limited	-	975,000	-	520,000	455,000	39,267	33,447	(5,820)	1.22%	1.22%	0.12%
The Hub Power Company Limited	-	1,106,000	-	867,100	238,900	51,088	55,771	4,683	2.03%	2.03%	0.13%
						136,526	**138,710**	**2,184**	**5.04%**	**5.05%**	0.02%
ENGINEERING											
Mughal Iron & Steel Industries Limited (note 5.1.3)	20,889	321,500	-	321,500	20,889	1,702	1,830	128	0.07%	0.07%	
						1,702	**1,830**	**128**	**0.07%**	**0.07%**	0.01%
PHARMACEUTICALS											
Abbott Laboratories (Pakistan) Limited	-	18,500	-	5,000	13,500	16,227	13,289	(2,938)	0.48%	0.48%	
AGP Limited	-	178,500	-	118,000	60,500	13,174	12,483	(691)	0.45%	0.45%	0.01%
BF Biosciences Limited (note 5.1.1)	44,000	-	-	44,000	-	-	-	-	-	-	0.02%
Haleon Pakistan Limited	-	34,500	-	10,950	23,550	22,371	18,962	(3,409)	0.69%	0.69%	
Highnoon Laboratories Limited	-	21,800	-	-	21,800	22,887	21,859	(1,028)	0.79%	0.80%	0.02%
GlaxoSmithKline Pakistan Limited	-	72,500	-	32,000	40,500	17,224	14,995	(2,229)	0.55%	0.55%	0.04%
The Searle Company Limited (notes 5.1.3 & 5.1.4)	11,915	1,095,000	34,853	998,652	143,116	15,262	13,530	(1,732)	0.49%	0.49%	0.01%
						107,145	**95,118**	**(12,027)**	**3.46%**	**3.46%**	0.02%
TEXTILE COMPOSITE											
Interloop Limited	-	530,500	-	147,132	383,368	32,588	41,227	8,639	1.50%	1.50%	
Nishat Mills Limited	-	410,000	-	213,000	197,000	35,277	31,098	(4,179)	1.13%	1.13%	0.03%
						67,865	**72,325**	**4,460**	**2.63%**	**2.63%**	0.06%
INV. BANKS / INV. COS. / SECURITIES COS.											
Engro Holdings Limited (note 5.1.2)	-	806,488	-	408,000	398,488	106,652	114,653	8,001	4.17%	4.17%	
Pakistan Stock Exchange Limited	290,000	-	-	17,248	272,752	7,629	14,658	7,029	0.53%	0.53%	0.03%
						114,281	**129,311**	**15,030**	**4.70%**	**4.71%**	0.03%

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Total market value of investments	Net assets of the Fund	
	---------- (Number of shares) ----------					---------- Rupees in '000' ----------			----------%----------		
OIL & GAS EXPLORATION COMPANIES											
Mari Energies Limited (note 5.1.2)	70,200	302,504	-	268,004	104,700	73,608	70,598	(3,010)	2.57%	2.57%	
Oil & Gas Development Company Limited (note 5.1.2)	392,000	1,915,450	-	1,811,630	495,820	147,652	166,035	18,383	6.04%	6.04%	0.01%
Pakistan Petroleum Limited (note 5.1.2)	473,000	2,071,500	-	1,869,770	674,730	147,167	163,703	16,536	5.95%	5.96%	0.01%
						368,427	**400,336**	**31,909**	**14.55%**	**14.58%**	0.02%
OIL & GAS MARKETING COMPANIES											
Pakistan State Oil Company Limited (notes 5.1.2 & 5.1.3)	181,503	991,500	-	1,054,000	119,003	47,195	40,741	(6,454)	1.48%	1.48%	
Sui Northern Gas Pipelines Limited (note 5.1.2)	413,400	280,000	-	477,614	215,786	26,936	26,095	(841)	0.95%	0.95%	0.03%
Sui Southern Gas Company Limited -		950,000	-	450,000	500,000	16,106	16,040	(66)	0.58%	0.58%	0.03%
						90,237	**82,876**	**(7,361)**	**3.01%**	**3.02%**	0.06%
REFINERY											
Attock Refinery Limited (note 5.1.2)	52,500	174,500	-	178,520	48,480	40,349	41,240	891	1.50%	1.50%	
						40,349	**41,240**	**891**	**1.50%**	**1.50%**	0.05%
COMMERCIAL BANKS											
Askari Bank Limited (note 5.1.2)	530,000	2,109,000	-	1,976,665	662,335	71,995	73,009	1,014	2.65%	2.66%	
Bank Alfalah Limited (note 5.1.1)	-	4,406,102	-	2,453,000	1,953,102	111,428	110,682	(746)	4.02%	4.03%	0.05%
Bank AL Habib Limited	50,000	80,000	-	130,000	-	-	-	-	-	-	0.06%
Faysal Bank Limited (note 5.1.3)	26,018	990,000	-	855,000	161,018	14,352	15,979	1,627	0.58%	0.58%	
Habib Bank Limited - a related party (note 5.1.2)	143,500	1,393,500	-	1,155,151	381,849	116,123	111,580	(4,543)	4.06%	4.06%	0.01%
MCB Bank Limited	55,000	135,000	-	122,000	68,000	29,207	27,575	(1,632)	1.00%	1.00%	0.03%
Meezan Bank Limited (note 5.1.2) -		739,569	-	580,000	159,569	75,001	82,411	7,410	3.00%	3.00%	0.01%
National Bank of Pakistan (note 5.1.2)	336,500	1,406,000	-	1,335,000	407,500	90,713	80,890	(9,823)	2.94%	2.94%	0.01%
The Bank of Punjab (note 5.1.2)	-	7,585,000	-	6,040,000	1,545,000	49,214	54,214	5,000	1.97%	1.97%	0.02%
United Bank Limited (note 5.1.1)	-	1,438,806	-	1,099,087	339,719	140,425	152,082	11,657	5.53%	5.54%	0.05%
						698,458	**708,422**	**9,964**	**25.75%**	**25.79%**	0.01%
FERTILIZER											
Fatima Fertilizer Company Limited	-	250,000	-	40,000	210,000	31,769	34,713	2,944	1.26%	1.26%	
Fauji Fertilizer Company Limited (note 5.1.2)	-	676,000	-	494,000	182,000	95,648	104,373	8,725	3.79%	3.80%	0.01%
						127,417	**139,086**	**11,669**	**5.06%**	**5.06%**	0.01%
TECHNOLOGY & COMMUNICATION											
Pakistan Telecommunication Company Limited	749,992	2,580,000	-	3,079,992	250,000	9,284	16,380	7,096	0.60%	0.60%	
Systems Limited (note 5.1.1)	166,000	1,030,000	-	717,600	478,400	70,132	70,368	236	2.56%	2.56%	0.01%
TPL Corp Limited	-	20,999,886	-	9,451,900	11,547,986	185,972	183,844	(2,128)	6.68%	6.69%	0.03%
TPL Trakker Limited	1,498,000	5,648,039	-	700,000	6,446,039	132,287	138,590	6,303	5.04%	5.05%	4.32%
						397,675	**409,182**	**11,507**	**14.87%**	**14.90%**	3.44%
CABLE & ELECTRICAL GOODS											
Pak Elektron Limited	-	1,200,000	-	540,000	660,000	37,736	29,997	(7,739)	1.09%	1.09%	
						37,736	**29,997**	**(7,739)**	**1.09%**	**1.09%**	0.07%
AUTOMOBILE ASSEMBLER											
Ghandhara Automobiles Limited	62,200	42,000	-	104,200	-	-	-	-	-	-	-
Ghandhara Industries Limited	38,000	10,000	-	48,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
INSURANCE											
TPL Insurance Limited	-	400,000	-	-	400,000	10,960	10,988	28	0.40%	0.40%	
TPL Life Insurance Limited	-	6,069,915	-	26,925	6,042,990	136,494	144,911	8,417	5.27%	5.28%	0.20%
						147,454	**155,899**	**8,445**	**5.67%**	**5.68%**	2.69%

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution) as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
									Total market value of investments	Net assets of the Fund	
	---------- (Number of shares) ----------					---------- Rupees in '000' ----------			----------%----------		
TOBACCO											
Pakistan Tobacco Company Limited*	-	5,700	-	-	5,700	7,549	8,140	591	0.30%	0.30%	
						7,549	**8,140**	**591**	**0.30%**	**0.30%**	0.00%
Total as at June 30, 2026						**2,654,958**	**2,751,020**	**96,062**			
Total as at June 30, 2025						**678,983**	**743,371**	**64,388**			

* Nil figures due to rounding off difference

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

Name of the investee company	Nominal value per share as on June 30, 2026	Subdivision of shares during the year	Additional number of shares received on account of subdivision of shares during the year
	(Rupees)		
Kohat Cement Company Limited	2.00	On August 22, 2025 from Rs. 10 to Rs. 2 per share	-
Lucky Cement Limited	2.00	-	-
K-Electric Limited	3.50	-	-
BF Biosciences Limited	3.00	-	-
Bank Alfalah Limited	5.00	On April 20, 2026 from Rs. 10 to Rs. 5 per share	1,184,551
United Bank Limited	5.00	-	-
Systems Limited	2.00	-	-

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

	2026	2025	2026	2025
	------ (Number of shares) ------		------ Rupees in '000 ------	
Askari Bank Limited	36,000	-	3,968	-
Attock Refinery Limited	6,000	-	5,104	-
Cherat Cement Company Limited	22,000	-	7,610	-
D.G. Khan Cement Company Limited	36,000	-	8,038	-
Engro Holdings Limited	13,000	-	3,740	-
Fauji Cement Company Limited	213,000	13,000	12,258	581
Fauji Fertilizer Company Limited	50,000	-	28,674	-
Habib Bank Limited	20,000	-	5,844	-
Lucky Cement Limited	100,000	-	46,952	-
Maple Leaf Cement Factory Limited	100,000	125,000	10,691	10,535
Mari Energies Limited	20,000	20,000	13,486	12,538
Meezan Bank Limited	10,000	-	5,165	-
National Bank of Pakistan	66,000	-	13,101	-
Oil & Gas Development Company Limited	424,000	147,000	141,985	32,422
Pakistan Petroleum Limited	276,000	176,000	66,963	29,950
Pakistan State Oil Company Limited	15,000	19,000	5,135	7,173
Sui Northern Gas Pipelines Limited	-	118,500	-	13,830
The Bank of Punjab	100,000	-	3,509	-
	1,507,000	618,500	382,224	107,029

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

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

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

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

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

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

As at June 30, 2026, the following bonus shares of the Fund have been withheld by certain companies at the time of declaration of bonus shares.

Name of the Company	2026		2025	
	---------- Bonus shares ----------			
	Number of shares withheld	Market value as at June 30, 2026	Number of shares withheld	Market value as at June 30, 2025
		Rupees in '000		Rupees in '000
Mughal Iron & Steel Industries Limited	20,889	1,830	20,889	1,507
The Searle Company Limited	11,915	1,126	11,915	1,045
Pakistan State Oil Company Limited	3,503	1,199	3,503	1,322
Faysal Bank Limited	26,018	2,582	26,018	1,814
	62,325	6,737	62,325	5,688

5.1.4 During the year, The Searle Company Limited has withheld 5,094 shares from the bonus shares issued to the Fund. The market value of bonus shares withheld amounts to Rs. 0.482 million as at June 30, 2026. The Fund has written off this amount from investments.

		Note	2026	2025
5.2	**Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**		-------- Rupees in '000 --------	
	Market value of investments	5.1	2,751,020	743,371
	Less: carrying value of investments	5.1	(2,654,958)	(678,983)
			96,062	64,388

6	**DIVIDEND AND PROFIT RECEIVABLE**			
	Dividend receivable		920	789
	Profit receivable on bank balances	6.1	1,242	484
			2,162	1,273

6.1 This includes profit receivable amounting to Rs. 0.293 million (2025: Rs. 0.111 million) from Habib Bank Limited (a related party) and Rs. nil (2025: Rs. 0.007 million) from HBL Microfinance Bank Limited (a related party).

		Note	2026	2025
7	**ADVANCES AND DEPOSITS - NET**		-------- Rupees in '000 --------	
	Security deposits with:			
	- National Clearing Company of Pakistan Limited		2,500	2,500
	- Central Depository Company of Pakistan Limited		100	100
	Advance tax	7.3	511	511
	Advance against subscription of Term Finance Certificates (TFC)	7.1	25,000	25,000
			28,111	28,111
	Less: provision in respect of advance against subscription of term finance certificates	7.2	(25,000)	(25,000)
			3,111	3,111

7.1 The Fund had subscribed towards the term finance certificates of Dewan Cement Limited as Pre-IPO investor on January 9, 2008. Under the agreement, the issuer was required to complete the public offering by October 9, 2008. However, no public offering has been carried out by the issuer till June 30, 2026. In addition, profit on the advance against subscription, due after six months from the date of subscription, has also not been received by the Fund. As at June 30, 2026, the advance against subscription has been fully provided in accordance with the provisioning policy of the Fund as approved by the Board of Directors of the Management Company.

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

The Securities and Exchange Commission of Pakistan vide circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the circular. HBL Asset Management Limited (Management Company) classified HBL Stock Fund (the Fund) as 'Equity Scheme' in accordance with the said circular. As at June 30, 2026, the Fund is compliant with all the requirements of the said circular except for clause 9 (v) which requires that the rating of any security in the portfolio shall not be lower than the investment grade.

Name of non-compliant investment	Type of investment	Value of investment before provision	Provision held	Value of investment after provision	% of gross assets
		---------- Rupees in '000 ----------			
Dewan Cement Limited	TFC	25,000	25,000	-	-

7.3 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding taxes on dividends and profit on savings accounts with banks paid to the Fund were deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The tax withheld on dividends and profit on savings accounts with banks amounts to Rs. 0.511 million (2025: Rs. 0.511 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding taxes deducted on dividends and profit on bank deposits paid to the Fund have been shown as advance tax as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

		Note	2026	2025
8	**PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**		------ Rupees in '000 ------	
	Remuneration payable	8.1	6,799	1,734
	Sindh sales tax payable on remuneration of the Management Company	8.2	1,020	260
	Sales load payable		746	1,695
			8,565	3,689

8.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document and subject to a capping of 3.00% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 3.00% (2025: 2.70%) per annum of the average daily net assets of the Fund during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

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

		Note	2026	2025
9	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**		------ Rupees in '000 ------	
	Remuneration payable to the Trustee	9.1	309	129
	Sindh sales tax payable on remuneration of the Trustee	9.2	46	19
			355	148

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets (Rs.)	**Fee**
- Up to Rs. 1 billion	Rs. 0.70 million or 0.20% per annum of net assets, whichever is higher.
- Exceeding Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets, on amount exceeding Rs. 1 billion.

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

		Note	2026	2025
10	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**		------ Rupees in '000 ------	
	Fee payable	10.1	215	60

11 ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026	2025
		------ Rupees in '000 ------	
Provision for federal excise duty	11.1	37,838	37,838
Withholding tax payable		445	649
Auditor's remuneration payable		942	802
Securities transaction costs payable		3,810	417
Capital gain tax payable		2,206	2,051
Zakat payable		8	29
Other payable		175	177
		45,424	41,963

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

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

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

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 37.838 million (2025: Rs. 37.838 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV of the Fund would have been higher by Rs. 3.14 (2025: Rs. 8.56) per unit.

12 CONTINGENCIES AND COMMITMENTS

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

13 NUMBER OF UNITS IN ISSUE	2026	2025
	------ Number of units ------	
Units in issue as at the beginning of the year	4,419,218	1,868,652
Units issued during the year	54,581,216	14,341,285
Units redeemed during the year	(46,932,143)	(11,790,719)
Total units in issue at the end of the year	12,068,291	4,419,218

14 AUDITOR'S REMUNERATION	2026	2025
	------ Rupees in '000 ------	
Annual audit fee	698	560
Half year review	465	373
Certifications and other services	230	227
Out of pocket expenses	171	254
	1,564	1,414

15 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 4.5% for a collective investment scheme categorised as an "Equity Scheme", applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 to these financial statements.

16 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holders in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

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

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

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

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

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

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

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

17.6 Transactions during the year	**2026**	**2025**
	------- Rupees in '000 -------	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company (including Sindh sales tax thereon)	87,114	18,409
Reimbursement from HBL Asset Management Limited - Management Company	-	1,232
Issuance of 782,509 (2025: nil) units	174,000	-
Redemption of 456,819 (2025: nil) units	101,279	-
Habib Bank Limited - Sponsor		
Bank charges	380	54
Profit on savings account with bank	3,939	1,520
Dividend income	8,313	186
Issuance of 1 (2025: 1,292) units*	-	237
Shares purchased during the year: 1,393,500 (2025: 403,625) shares	419,922	60,764
Shares sold during the year: 1,155,151 (2025: 310,125) shares	361,867	44,940
HBL Microfinance Bank Limited - Associated Company		
Profit on savings account with bank	-	647
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee (including Sindh sales tax thereon)	4,054	1,364
Service charges	605	209
Directors and executives of the Management Company		
Issuance of 1,971,934 (2025: 149,388) units	425,970	22,749
Redemption of 1,894,481 (2025: 169,090) units	415,720	26,165
Dividend paid	5	-

	2026	2025
	------- Rupees in '000 -------	
Mr Rafiuddin Zakir Mahmood - Connected party due to 10% units		
Issuance of nil (2025: 551) units	-	101

17.7 Balances outstanding as at year end

HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	6,799	1,734
Sales tax payable on remuneration to the Management Company	1,020	260
Receivable from HBL Asset Management Limited - Management Company	-	1,232
Sales load payable	746	1,695
Outstanding: 325,690 (2025: nil) units	74,126	-
Habib Bank Limited - Sponsor		
Bank balances	95,968	2,331
Profit receivable on bank balances	293	111
Outstanding: 1,293 (2025: 1,292) units	294	254
Investment in shares: 381,849 (2025: 143,500) shares	111,580	25,714
HBL Microfinance Bank Limited - Associated Company		
Bank balances	685	686
Profit receivable on bank balances	-	7
Directors and executives of the Management Company		
Outstanding: 78,993 (2025: 1,540) units	17,979	262
Mr Rafiuddin Zakir Mahmood - Connected party due to 10% units		
Outstanding: 587,357 (2025: 587,357) units	133,681	100,113
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	309	129
Sales tax payable on remuneration to the Trustee	46	19
Security deposit	100	100

18 FINANCIAL INSTRUMENTS BY CATEGORY

	2026		
	At amortised cost	At fair value through profit or loss	Total
	---------- Rupees in '000 ----------		
Financial assets			
Bank balances	145,580	-	145,580
Investments	-	2,751,020	2,751,020
Dividend and profit receivable	2,162	-	2,162
Receivable against sale of investments	7,950	-	7,950
Receivable against conversion of units	6,603	-	6,603
Receivable from HBL Asset Management Limited - Management Company	-	-	-
Deposits	2,600	-	2,600
	164,895	2,751,020	2,915,915

	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	8,565	-	8,565
Payable to Central Depository Company of Pakistan Limited - Trustee	355	-	355
Payable against purchase of investments	63,434	-	63,434
Payable against redemption and conversion of units	51,702	-	51,702
Dividend payable	25	-	25
Accrued expenses and other liabilities	4,927	-	4,927
	129,008	-	129,008

	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	129,325	-	129,325
Investments	-	743,371	743,371
Dividend and profit receivable	1,273	-	1,273
Receivable against sale of investments	-	-	-
Receivable from HBL Asset Management Limited - Management Company	1,232	-	1,232
Deposits	2,600	-	2,600
	134,430	743,371	877,801
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	3,689	-	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee	148	-	148
Payable against purchase of investments	-	-	-
Payable against redemption of units	79,210	-	79,210
Dividend payable	-	-	-
Accrued expenses and other liabilities	1,396	-	1,396
	84,443	-	84,443

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

19.1 Market risk

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

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

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

(i) Yield / interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In the case of a 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income for the year and net assets of the Fund would have been higher / lower by Rs. 1.456 million (2025: Rs. 1.290 million).

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

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

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

	2026					
		Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Upto three months	More than three months and upto one	More than one year		
On-balance sheet financial instruments	(%)	Rupees in '000				
Financial assets						
Bank balances	9.50% - 12.00%	145,565	-	-	15	145,580
Investments		-	-	-	2,751,020	2,751,020
Dividend and profit receivable		-	-	-	2,162	2,162
Receivable against sale of investments		-	-	-	7,950	7,950
Receivable against conversion of units		-	-	-	6,603	6,603
Receivable from HBL Asset Management Limited - Management Company		-	-	-	-	-
Deposits		-	-	-	2,600	2,600
		145,565	-	-	2,770,350	2,915,915
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	8,565	8,565
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	355	355
Payable against purchase of investments		-	-	-	63,434	63,434
Payable against redemption and conversion of units		-	-	-	51,702	51,702
Dividend payable		-	-	-	25	25
Accrued expenses and other liabilities		-	-	-	4,927	4,927
		-	-	-	129,008	129,008
On-balance sheet gap (a)		145,565	-	-	2,641,342	2,786,907
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		145,565	-	-		
Cumulative interest rate sensitivity gap		145,565	145,565	145,565		

	2025				
	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
	Effective yield / interest rate	Upto three months	More than three months and upto one	More than one year	
On-balance sheet financial instruments	**(%)**	**Rupees in '000**			
Financial assets					
Bank balances	9.50% - 12.00%	129,310	-	-	15	129,325
Investments		-	-	-	743,371	743,371
Dividend and profit receivable		-	-	-	1,273	1,273
Receivable against sale of investments		-	-	-	-	-
Receivable from HBL Asset Management Limited - Management Company		-	-	-	1,232	1,232
Deposits		-	-	-	2,600	2,600
		129,310	-	-	748,491	877,801
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	3,689	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	148	148
Payable against purchase of investments		-	-	-	-	-
Payable against redemption of units		-	-	-	79,210	79,210
Dividend payable		-	-	-	-	-
Accrued expenses and other liabilities		-	-	-	1,396	1,396
		-	-	-	86,494	84,443
On-balance sheet gap (a)		129,310	-	-	661,997	793,358
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		129,310	-	-		
Cumulative interest rate sensitivity gap		129,310	129,310	129,310		

(ii) Currency risk

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

(iii) Price risk

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

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to not more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In case of a 1% increase / decrease in the KSE 100 index on June 30, 2026, with all other variables held constant, the total comprehensive profit / (loss) of the Fund for the year would increase / decrease by Rs. 27.510 million (2025: Rs. 7.434 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index.

The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 index.

19.2 Liquidity risk

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

The Fund is exposed to daily settlement of equity securities and daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, 2008, the Fund can borrow in the short-term to ensure settlement the maximum limit of which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. However, no borrowing was obtained by the Fund during the current year.

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

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

	2026						
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Financial liabilities	Rupees in '000						
Payable to HBL Asset Management Limited - Management Company	8,565	-	-	-	-	-	8,565
Payable to Central Depository Company of Pakistan Limited - Trustee	355	-	-	-	-	-	355
Payable against purchase of investments	63,434	-	-	-	-	-	63,434
Payable against redemption and conversion of units	51,702	-	-	-	-	-	51,702
Dividend payable	25	-	-	-	-	-	25
Accrued expenses and other liabilities	3,985	942	-	-	-	-	4,927
	128,066	942	-	-	-	-	129,008

	2025						
	Within 1 month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial instruments with no fixed maturity	Total
Financial liabilities	Rupees in '000						
Payable to HBL Asset Management Limited - Management Company	3,689	-	-	-	-	-	3,689
Payable to Central Depository Company of Pakistan Limited - Trustee	148	-	-	-	-	-	148
Payable against purchase of investments	-	-	-	-	-	-	-
Payable against redemption and conversion of units	79,210	-	-	-	-	-	79,210
Dividend payable	-	-	-	-	-	-	-
Accrued expenses and other liabilities	594	802	-	-	-	-	1,396
	83,641	802	-	-	-	-	84,443

19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. The table below analyses the Fund's maximum exposure to credit risk:

	2026		2025	
	Financial assets	Maximum exposure to credit risk	Financial assets	Maximum exposure to credit risk
	---------- Rupees in '000 ----------			
Bank balances	145,580	145,580	129,325	129,325
Investments	2,751,020	-	743,371	-
Dividend and profit receivable	2,162	2,162	1,273	1,273
Receivable against sale of investments	7,950	7,950	-	-
Receivable from HBL Asset Management Limited - Management Company	-	-	1,232	1,232
Deposits	2,600	2,600	2,600	2,600
	2,909,312	158,292	877,801	134,430

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. The difference is because of investment in equity securities which are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instrument guidelines approved by the Investment Committee.

19.3.2 **Credit quality of financial assets**

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its placements in banks and profit receivable thereon, dividend receivable and receivable against the sale of units. The credit rating profile of balances with banks is as follows:

Rating category	2026	2025
	----------%	----------
AAA	3.51%	0.35%
AA+ *	-	0.00%
AA-	-	16.68%
AA	1.76%	0.04%
A+	0.03%	0.09%
A *	0.00%	0.00%
A- *	0.00%	0.01%
	5.30%	17.17%

* Nil due to rounding off

19.3.3 **Concentration of credit risk**

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

All financial assets of the Fund as at June 30, 2026 are unsecured and are not impaired except for term finance certificates of Dewan Cement Limited as disclosed in Note 7.2 to these financial statements.

20 FAIR VALUE MEASUREMENT

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

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

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

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	Note	2026			
		Level 1	Level 2	Level 3	Total
Financial assets at 'fair value through profit or loss'		Rupees in '000			
Quoted equity securities	5.1	2,751,020	-	-	2,751,020

		2025			
		Level 1	Level 2	Level 3	Total
Financial assets at 'fair value through profit or loss'		Rupees in '000			
Quoted equity securities	5.1	743,371	-	-	743,371

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

Item	Valuation technique
Quoted equity securities	The fair value of investments in quoted equity securities is valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.

There were no transfers between levels during the year.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

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

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

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

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

CategorB1241:O1273y	2026			
	Number of unit holders	Number of units held	Investment amount	Percentage of investments
			Rupees in '000	
Individuals	1,845	9,481,953	2,158,063	78.57%
Associated companies and directors	1	1,293	294	0.01%
NBFCs	1	325,689	74,126	2.70%
Retirement funds*	3	396	90	0.00%
Public limited companies	2	812,076	184,826	6.73%
Others	10	1,446,884	329,307	11.99%
	1,862	12,068,291	2,746,706	100.00%

Category	2025			
	Number of unit holders	Number of units held	Investment amount	Percentage of investments
			Rupees in '000	
Individuals	765	4,079,844	695,394	92.32%
Associated companies and directors	1	1,292	221	0.03%
NBFCs	-	-	-	-
Retirement funds	3	396	68	0.01%
Public limited companies*	1	6	1	0.00%
Others	8	337,680	57,558	7.64%
	778	4,419,218	753,242	100.00%

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

2026	2025
Name of broker	Name of broker
Topline Securities Limited	Arif Habib Limited
Ktrade Securities Limited	Intermarket Securities Limited
Chase Securities Pakistan (Private) Limited	JS Global Capital Limited
Next Capital Limited	Ktrade Securities Limited
Intermarket Securities Limited	Optimus Capital Management (Private) Limited
Arif Habib Limited	BMA Capital Management Limited
JS Global Capital Limited	Next Capital Limited
BMA Capital Management Limited	DJM Securities Limited
Aba Ali Habib Securities (Private) Limited	Integrated Equities Limited
DJM Securities Limited	AKD Securities Limited

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

Name	Designation	Qualification	Overall experience
Mr. Mir Adil Rashid	Chief Executive Officer	BSc.	27 + years
Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	28 + years
Mr. Amin Mohammad	Chief Risk Officer	MBA	33 + years
Mr. Wasim Akram	Senior Fund Manager	MBA	22 + years
Mr. Sunny Kumar	Head of Equities	B.Com	8 + years

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

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

Name of Director	Number of meetings			Meetings not attended
	Held	Attended	Leave Granted	
Mr. Shahid Ghaffar	9	9	-	-
Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
Mr. Rayomond H. Kotwal*	6	5	1	December 22, 2025
Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
Mr. Tariq Masaud	9	8	1	October 30, 2025
Mr. Mir Adil Rashid	9	9	-	-
Mr. Ifran Ahmed Meer**	3	2	1	April 29, 2026
Mr. Khalid Malik	9	9	-	-
Dr. Sahar Awan**	3	3	-	-
Mr. Habib Yousuf Habib*	3	3	-	-
Ms. Sheeza Ahmed	9	9	-	-

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

26 GENERAL

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

26.2 Units have been rounded off to the nearest decimal place.

27 DATE OF AUTHORISATION FOR ISSUE

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL Equity Fund

FUND INFORMATION

NAME OF FUND	HBL Equity Fund
NAME OF AUDITOR	Yousuf Adil & Co., Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited (CDC)
BANKERS	MCB Bank Limited Soneri Bank Limited JS Bank Limited Habib Bank Limited Habib Metro Bank Khushali Microfinance Bank Mobilink Microfinance Bank HBL Microfinance Bank National Bank Limited Allied Bank Limited Zarai Taraqiati Bank Limited

Type and Category of Fund

Open end Equity Fund

Investment Objective and Accomplishment of Objective

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

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KSE 100 Index.

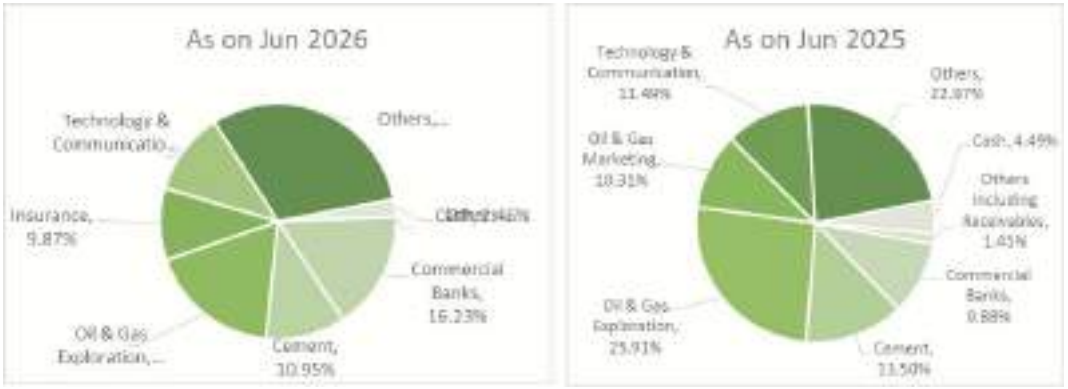
The comparison of the fund return with benchmark is given below:

Month	HBL-EQF	Benchmark
Jun-26	5.69%	2.97%
May-26	7.69%	6.73%
Apr-26	12.34%	9.58%
Mar-26	-14.23%	-11.50%
Feb-26	-14.02%	-8.75%
Jan-26	-1.16%	5.81%
Dec-25	5.60%	4.43%
Nov-25	2.22%	3.12%
Oct-25	-4.56%	-2.33%
Sept-25	12.23%	11.36%
Aug-25	10.02%	6.62%
Jul-25	5.59%	10.96%

Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equity from 94.06% of total assets as on June 30, 2025 to 97.48% of total assets as on June 30, 2026. Furthermore, sector-wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in commercial banks, technology, insurance and others has increased, while exposure in cement, oil and gas exploration and oil and gas marketing has decreased.

Asset Allocation



Significant Changes in Asset Allocation during the Year

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

Month	As on Jun 2026	As on Jun 2025
Cash	2.46%	4.48%
Others Including Receivables	0.05%	1.44%
Commercial Banks	16.23%	9.87%
Cement	10.95%	13.50%
Oil & Gas Exploration	18.06%	25.91%
Oil & Gas Marketing	0.00%	10.31%
Insurance	9.86%	0.00%
Technology & Communication	11.39%	11.49%
Others	31.00%	23.00%
Total	**100.00%**	**100.00%**

Fund Performance

The total and net income of the Fund was Rs. 371.04 million and Rs. 290.51 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 233.4307 per unit as on June 30, 2026 as compared to Rs. 186.4654 per unit as on June 30, 2025, thereby giving a return of 25.19%. During the period the benchmark KSE 100 index yielded a return of 49.38%. The size of Fund was Rs. 1.36 billion as on June 30, 2026 as compared to Rs. 0.87 billion at the start of the year.

Review of Market invested in

During FY2026, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KSE All-Share Index rising to 911 million shares (up 44% from 633 million shares in the same period last year). Average daily traded value surged 51% to PKR 42.5 billion, up from PKR 28.15 billion.

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

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

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

Distribution

The fund has distributed NIL dividend for the year ended June 30 2026.

Significant Changes in the State of Affairs

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

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	653	12,012
101 - 500	256	69,257
501 - 1,000	109	80,607
1,001 - 10,000	293	1,084,623
10,001 - 100,000	85	2,097,041
100,001 - 500,000	8	1,741,127
500,001 - 1,000,000	1	755,468
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**1,405**	**5,840,135**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

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

PERFORMANCE TABLE - HBL EQUITY FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end (Rs'000)	1,363,267	871,230	192,237	323,350	818,077	2,270,367
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	233.4308	186.4654	121.4784	70.3636	76.8634	139.9454
Offer	238.7997	190.7541	124.2238	71.9538	78.6005	143.1082
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	272.4631	211.6150	129.5909	83.2222	144.4751	143.1350
Lowest offer price per unit	182.7228	123.9565	75.7020	67.0553	78.4233	105.0772
Highest redemption price per unit	266.3373	206.8573	126.7269	81.3829	141.2821	139.9716
Lowest redemption price per unit	178.6147	121.1696	74.0289	65.5733	76.6901	102.7549
RETURN (%)						
Total return	32.53%	53.50%	78.55%	-8.46%	-45.08%	39.47%
Income distribution	0.00%	0.00%	5.90%	0.00%	0.00%	0.00%
Capital growth	32.53%	53.50%	72.65%	-8.46%	-45.08%	39.47%
DISTRIBUTION						
Final dividend distributation (Rs)	-	-	4.15	-	-	-
Date of Income Distribution	-	-	28-Jun-2024	-	-	-
Total dividend distribution for the year/ period (Rs)	-	-	4.15	-	-	-
AVERAGE RETURNS (%)						
Average annual return 1 year	32.53%	53.50%	78.55%	-8.46%	-45.08%	39.47%
Average annual return 2 year	42.63%	65.55%	27.85%	-29.10%	-12.48%	22.51%
Average annual return 3 year	29.39%	15.35%	-3.54%	-11.16%	-6.24%	8.26%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	6.27%	4.49%	1.89%	2.61%	3.75%	24.08%
Stock / Equities	93.45%	94.06%	82.54%	80.70%	94.72%	73.93%
Others Including receivables	0.28%	1.45%	15.57%	16.69%	1.53%	1.99%

Note:

The Launch date of the Fund is September 26, 2011

Disclaimer:

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

Summary of Actual Proxy voted by CIS

HBL EQF	Meetings	Resolutions	For	Against
Number	6	14	14	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Askari Bank Limited	3/17/2026	
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
Bank Alfalah Limited		
BF Biosciences Limited		
Big Bird Foods Limited		
Blue -Ex Limited		
Cherat Cement Company Ltd	10/9/2025	
DG Khan Cement Co Ltd	3/25/2026	
Engro Fertilizer Limited	4/28/2026	
Engro Holding Limited		
ENGRO POLYMER&CHEMICALS LIMITED		
Fatima Fertilizer Company Ltd	4/17/2026	18-Dec-25
Fauji Cement Company Ltd	9/30/2025	
Fauji Fertilizer Company Ltd	3/16/2026	8-Dec-25
Frieslandcampins Engro Foods Limite.		
GHANDHARA AUTOMOBILES LIMITED		
Ghandhara Industries Limited		
Ghandhara Tyre & Rubber Company Limited		
Ghani Chemical Industries Limited		
GLAXOSMITHKLINE PAKISTAN LIMITED	4/30/2026	
Gul Ahmed Textile Mills Limited		
Habib Bank Limited	3/30/2026	28-Apr-26
Habib Metropolitan Bank Limited		
Highnoon Laboratories Ltd	4/30/2026	
Honda Atlas Cars (Pakistan) Limited		
Hum Network Limited		
K-ELECTRIC LIMITED	11/11/2025	25-Mar-26
LUCKY CEMENT LTD	9/26/2025	
Maple Leaf Cement Ltd.	10/16/2025	31-Dec-25
Mari Energies Limited	9/26/2025	22-Mar-26
MCB Bank Limited	3/27/2026	
Mughal Iron		
National Bank of Pakistan		
NATIONAL REFINERY LTD	9/30/2025	
Netsol Technologies Limited		
Nishat Chunian Power Limited		13-Aug-25
NISHAT MILLS LIMITED		31-Mar-26
Nishat Power Limited		13-Aug-25
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
PAK ELEKTRON		
Pakistan Aluminum Beverage Cans Ltd	4/24/2026	8-Jan-26
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan Reinsurance Company Limited	4/30/2026	
Pakistan State Oil Company Ltd	10/24/2025	
Pakistan Stock Exchange Limited		
PAKISTAN TELECOMMUNICATION COMPANY		20-Nov-25
PANTHER TYRES LIMITED		31-Dec-25
Pioneer Cement Co Limited		31-Mar-26
Power Cement Ltd		
Samba Bank Limited	3/26/2026	
Sazgar Engineering Works Limited	9/25/2025	17-Mar-26
Sitara Petroleum Service Limited		
Systems Limited	11-MAY-2026 & 28/04/2026	27-Feb-26
Thatta Cement Company Limited	10/7/2025	
The Bank of Punjab	3/26/2026	
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Organic Meat Company Limited		
The Searle Comp		12-Jun-26
TPL Corp Limited	12/30/2025	23-Apr-26
TPL Insurance Limited	4/23/2026	
TPL Life Insurance Limited	Y-2026 & 30-APRIL-2026 & 23/04	
TPL Properties Limited.	12/29/2025	
TPL REIT Fund I		
TPL TRAKKER LIMITED	11/27/2025	
Treet Corporation Limited	10/27/2025	26-JUNE-2026 & 13/01/2026 29-JUNE
TRG Pakistan Limited		
United Bank Limited	3/26/2026	
Unity Foods Limited		
World call Telecom Limited	4/30/2026	

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL EQUITY FUND

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

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Equity Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

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

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Equity Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Equity Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matter

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

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 1,368.801 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained independent confirmations from the Central Depository Company of Pakistan Limited for verifying the existence of the listed equity investments portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2026
UDIN: AR202610057C0Ap3K1WI

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

	Note	June 30, 2026	June 30, 2025
ASSETS		------ (Rupees in '000) ------	
Bank balances	5	**91,831**	43,263
Investments	6	**1,368,801**	845,980
Dividend and mark-up receivable	7	**1,139**	356
Receivable against sale of investments - net		**-**	33,295
Advances and deposits	8	**2,915**	2,913
Receivable from the Management Company	9	**-**	4,192
Total assets		**1,464,686**	929,999
LIABILITIES			
Payable to the Management Company	10	**3,866**	3,326
Payable to the Trustee	11	**217**	194
Payable to SECP	12	**100**	270
Payable against redemption of units		**1,712**	42,222
Payable against purchase of investments - net		**71,480**	-
Accrued expenses and other liabilities	13	**24,044**	12,757
Total liabilities		**101,419**	58,769
NET ASSETS		**1,363,267**	871,230
UNITHOLDERS' FUND (AS PER STATEMENT ATTACHED)		**1,363,267**	871,230
CONTINGENCIES AND COMMITMENTS	14		
		------(Number of units)------	
NUMBER OF UNITS IN ISSUE	15	**5,840,135**	4,672,344
		------(Rupees)------	
NET ASSETS VALUE PER UNIT	4.8	**233.4308**	186.4654

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	Note	June 30, 2026	June 30, 2025
INCOME		-------- (Rupees in '000) --------	
Capital gain on sale of investments - net		**241,173**	187,786
Dividend income		**34,082**	19,934
Mark-up on bank deposits		**15,058**	5,179
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.2	**80,724**	6,579
		371,037	219,478
EXPENSES			
Remuneration of the Management Company	10.1	**40,489**	23,205
Sindh sales tax on remuneration of the Management Company	10.2	**6,073**	3,481
Remuneration of the Trustee	11.1	**2,347**	1,111
Sindh sales tax on remuneration of the Trustee	11.2	**352**	167
SECP fee	12.1	**1,282**	732
Auditors' remuneration	16	**1,044**	949
Fees and subscriptions		**30**	88
Legal and professional charges		**186**	240
Securities transaction costs		**27,745**	13,122
Settlement and bank charges		**975**	670
Printing charges		**-**	74
Reimbursement of expenses from the Management Company		**-**	(4,192)
		80,523	39,647
Net income for the year before taxation		**290,514**	179,831
Taxation	17	**-**	-
Net income for the year after taxation		**290,514**	179,831
Allocation of net income for the year			
Net income for the year after taxation		**290,514**	179,831
Income already paid on redemption of units		**(149,324)**	(123,080)
		141,190	56,751
Accounting income available for distribution:			
Relating to capital gains		**141,190**	56,751
Excluding capital gains		**-**	-
		141,190	56,751

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL EQUITY FUND
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	--------- (Rupees in '000) ---------	
Net income for the year after taxation	**290,514**	179,831
Other comprehensive income	**-**	-
Total comprehensive income for the year	**290,514**	179,831

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

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

	June 30, 2026			June 30, 2025		
	Capital value	**Accumulated loss**	**Total**	Capital value	Accumulated loss	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the year	**1,497,944**	**(626,714)**	**871,230**	875,669	(683,465)	192,204
Issuance of 16,905,998 units (2025: 20,905,892 units)						
Capital value (at net asset value per unit at the beginning of the year)	**3,152,384**	**-**	**3,152,384**	2,539,614	-	2,539,614
Element of income	**641,831**	**-**	**641,831**	1,227,094	-	1,227,094
	3,794,215	**-**	**3,794,215**	3,766,708	-	3,766,708
Redemption of 15,738,207 units (2025: 17,815,754 units)						
Capital value (at net asset value per unit at the beginning of the year)	**(2,934,631)**	**-**	**(2,934,631)**	(2,164,229)	-	(2,164,229)
Income already paid on units redeemed	**-**	**(149,324)**	**(149,324)**	**-**	(123,080)	(123,080)
Element of loss	**(508,737)**	**-**	**(508,737)**	(980,204)	-	(980,204)
	(3,443,368)	**(149,324)**	**(3,592,692)**	(3,144,433)	(123,080)	(3,267,513)
Total comprehensive income for the year	**-**	**290,514**	**290,514**	-	179,831	179,831
Net assets at end of the year	**1,848,791**	**(485,524)**	**1,363,267**	1,497,944	(626,714)	871,230
Undistributed loss brought forward						
Realised		**(633,293)**			(703,351)	
Unrealised		**6,579**			19,886	
		(626,714)			(683,465)	
Accounting income available for distribution						
Relating to capital gains		**141,190**			56,751	
Excluding capital gains		**-**			-	
		141,190			56,751	
Distribution during the year		**-**			-	
Undistributed loss carried forward		**(485,524)**			(626,714)	
Undistributed loss carried forward						
Realised		**(566,248)**			(633,293)	
Unrealised		**80,724**			6,579	
		(485,524)			(626,714)	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		**186.4654**			121.4784	
Net assets value per unit at end of the year		**233.4307**			186.4654	

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

For HBL Asset Management Limited
(Management Company)

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

	Note	June 30, 2026	June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		**---- (Rupees in '000) ----**	
Net income for the year before taxation		**290,514**	179,831
Adjustments for non cash and other items:			
Capital gain on sale of investments - net		**(241,173)**	(187,786)
Dividend income		**(34,082)**	(19,934)
Mark-up on bank deposits		**(15,058)**	(5,179)
Unrealised gain on re-measurement of investments at fair value through profit or loss - net		**(80,724)**	(6,579)
		(80,523)	(39,647)
Increase in assets			
Investments - net		**(96,149)**	(465,415)
Advances and deposits		**(2)**	2
Receivable from the Management Company		**4,192**	(4)
		(91,959)	(465,417)
Increase in liabilities			
Payable to the Management Company		**540**	2,631
Payable to the Trustee		**23**	153
Payable to SECP		**(170)**	253
Accrued expenses and other liabilities		**11,287**	4,779
		11,680	7,816
Net cash used in operations		**(160,802)**	(497,248)
Dividend received		**33,493**	19,935
Mark-up received on bank deposits		**14,864**	5,235
		48,357	25,170
Net cash used in operating activities		**(112,445)**	(472,078)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		**3,794,215**	3,766,708
Payment against redemption of units		**(3,633,202)**	(3,252,608)
Dividend paid		**-**	(3,130)
Net cash generated from financing activities		**161,013**	510,970
Net increase in cash and cash equivalents during the year		**48,568**	38,892
Cash and cash equivalents at the beginning of the year		**43,263**	4,371
Cash and cash equivalents at the end of the year	5	**91,831**	43,263

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

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Equity Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SCD/NBFC-II/PSF/249/2011 dated June 01, 2011 and the trust deed was executed on June 14, 2011.

1.2 Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP / the Commission) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.3 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.4 Effective from September 01, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.

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

1.6 The Fund has been categorised as an Equity Scheme as per the criteria laid down by the SECP for categorisation of the Collective Investment Schemes (CISs). The Fund is an open-ended mutual fund and is listed on Pakistan Stock Exchange Limited (PSX). The units of the Fund were initially offered for public subscription at par value of Rs.100 per unit from September 24, 2011 to September 26, 2011. Thereafter, the units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.7 The investment objective of the Fund is to provide investors a diversified equity portfolio with a primary objective of maximising risk-adjusted returns over longer investment horizon through a combination of capital gains and dividend income.

1.8 VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at December 31, 2025.

1.9 Title to the assets of the Fund is held in the name of CDC as the Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Critical accounting estimates and judgments

The preparation of these financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires the management to exercise judgment in application of accounting policies. The estimates, judgments and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Fund's financial statements or where judgment was exercised in the application of accounting policies are given below:

(a) Classification and measurement of financial assets (Note 4.2.1.1 and 6)
(b) Impairment of financial assets (Note 4.2.1.3)
(c) Provisions (Note 4.3)
(d) Taxation (Note 4.4 and 17)
(d) Classification and measurement of financial liabilities (Note 4.2.2)
(e) Contingencies and commitments (Note 14)

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

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

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

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability

3.2 New accounting standards and amendments and interpretations that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except those mentioned in note 3.3

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

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

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

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

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 20 - Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

4.1 Cash and cash equivalents

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

4.2 Financial instruments

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

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

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets

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

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

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

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

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

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

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

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

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

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

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

Financial assets at amortised cost (debt instruments)

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

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

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

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

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

4.2.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

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

Basis of valuation of government debt securities:

The government securities not listed on a PSX and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV) which are based on the remaining tenure of the securities. Moreover, listed Government Securities traded on PSX are valued at rates quoted on PSX.

Basis of valuation of debt securities:

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

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

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

4.2.1.3 Impairment of financial assets

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.1.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.5 Derecognition

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

4.2.2 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

4.2.3 Offsetting of financial assets and liabilities

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

4.3 Provisions

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

4.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO, 2001) subject to the condition that not less than 90% of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) and Section 113C (Alternative Corporate Tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

4.5 Dividend distribution and appropriations

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

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

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

4.6 Issue and redemption of units

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

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

4.7 Element of income

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

4.8 Net assets value per unit

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

4.9 Revenue recognition

- Realised capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Mark-up on bank deposits is recognised on a time apportionment basis using bank's approved rates.
- Income / profit from investments in Government Securities is recognised on a time proportionate basis using effective interest rate method.
- Unrealised gain / (loss) arising on re-measurement of investments at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

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

4.11 Earnings per unit

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

		June 30, 2026	June 30, 2025
5. BANK BALANCES	**Note**	**------- (Rupees in '000) -------**	
In current account		**201**	201
In savings accounts	5.1	**91,630**	43,062
		91,831	43,263

5.1 These carry mark-up ranging from 11.00% to 13.15% (June 30, 2025: 9.00% to 12.00%) per annum. These includes an amount held with Habib Bank Limited (a related party) amounting to Rs. 80.179 million (June 30, 2025: Rs. 0.288 million) which carry mark-up at rate of 13.15% (June 30, 2025: 9.00%) per annum and HBL Microfinance Bank Limited (a related party) amounting to Rs. 0.111 million (June 30, 2025: Rs. 0.021 million) on which return is earned at 11.00% (June 30, 2025: 12.00%) per annum.

		June 30, 2026	June 30, 2025
6. INVESTMENTS	**Note**	**------- (Rupees in '000) -------**	
Investment at fair value through profit or loss			
Listed equity securities	6.1	**1,368,801**	845,980

6.1 Investment at 'fair value through profit or loss' - listed equity securities

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

Name of the investee companies	As at July 01, 2025	Purchased during the year	Bonus issue	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in '000)			(%)		
Automobile Assembler											
Ghandhara Automobiles Limited	92,000	233,000	-	325,000	-	-	-	-	-	-	-
Ghandhara Industries Limited	53,500	30,000	-	83,500	-	-	-	-	-	-	-
Honda Atlas Cars (Pakistan) Limited	-	652,000	-	652,000	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	8,000		8,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Automobile Parts and Accessories											
Ghandhara Tyre & Rubber Company Limited	-	1,780,642	-	1,780,642	-	-	-	-	-	-	-
Panther Tyres Limited	-	1,592,181	-	1,592,181	-	-	-	-	-	-	-
						-	-	-	-	-	-
Cable & Electrical Goods											
Pak Elektron Limited	-	910,000	-	910,000	-	-	-	-	-	-	-
Cement											
Attock Cement Pakistan Limited	96,000	75,000	-	171,000	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	105,617	-	105,617	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	80,000	290,000	-	370,000	-	-	-	-	-	-	-
Fauji Cement Company Limited	662,000	950,000	-	1,149,000	463,000	**24,688**	**26,646**	**1,958**	1.95	1.95	0.02
Lucky Cement Limited**	-	426,000	-	383,000	43,000	**19,655**	**20,189**	**534**	1.47	1.48	-
Maple Leaf Cement Factory Limited	599,000	4,068,500	-	3,667,500	1,000,000	**96,328**	**106,910**	**10,582**	7.81	7.84	0.10
Pioneer Cement Limited	-	500	-	500	-	-	-	-	-	-	-
Power Cement Limited	-	10,538,234	-	10,538,234	-	-	-	-	-	-	-
Thatta Cement Company Limited	-	1,752,480	-	1,752,480	-	-	-	-	-	-	-
						140,671	**153,745**	**13,074**	11.23	11.27	0.12
Chemical											
Engro Polymer And Chemicals Limited	-	2,100,000	-	2,100,000	-	-	-	-	-	-	-
Ghani Chemical Industries Limited	-	5,184,389	-	5,184,389	-	-	-	-	-	-	-
						-	-	-	-	-	-
Commercial Banks											
Askari Bank Limited	1,193,160	1,110,000	-	2,019,160	284,000	**28,478**	**31,305**	**2,827**	2.29	2.30	0.02
Bank Alfalah Limited	-	2,720,636	-	1,809,500	911,136	**53,862**	**51,634**	**(2,228)**	3.77	3.79	0.06
Bank of Punjab Limited	-	2,500,000	-	2,150,000	350,000	**12,805**	**12,282**	**(523)**	0.90	0.90	0.01
Faysal Bank Limited	1,440	-	-	-	1,440	**100**	**143**	**43**	0.01	0.01	-
Habib Bank Limited	135,000	547,000	-	507,388	174,612	**49,721**	**51,023**	**1,302**	3.73	3.74	0.01
Habib Metropolitan Bank Limited	-	44,000	-	44,000	-	-	-	-	-	-	-
MCB Bank Limited	20,000	36,000	-	56,000	-	-	-	-	-	-	-
National Bank Of Pakistan	-	1,208,500	-	1,138,500	70,000	**14,061**	**13,895**	**(166)**	1.02	1.02	-
Samba Bank Limited	-	10,032,448	-	10,032,448	-	-	-	-	-	-	-
United Bank Limited*****	-	472,000	-	321,000	151,000	**68,608**	**67,599**	**(1,009)**	4.94	4.96	0.01
						227,635	**227,881**	**246**	16.66	16.72	0.11
Engineering											
Mughal Iron & Steel Industries Limited	-	330,000	-	330,000	-	-	-	-	-	-	-

Name of the investee companies	As at July 01, 2025	Purchased during the year	Bonus issue	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in '000)			(%)		
Fertilizer											
Engro Fertilizers Limited	-	100,000	-	-	100,000	**20,074**	**19,895**	**(179)**	1.45	1.46	0.01
Fatima Fertilizer Company Limited	-	120,000	-	120,000	-	**-**	**-**	**-**	-	-	-
Fauji Fertilizer Company Limited	-	301,000	-	206,500	94,500	**55,155**	**54,194**	**(961)**	3.96	3.98	0.01
						75,229	**74,089**	**(1,140)**	5.41	5.44	0.02
Food and Personal Care Products											
Big Bird Foods Limited	-	1,036,206	-	286,206	750,000	**35,340**	**34,523**	**(817)**	2.52	2.53	0.25
Frieslandcampins Engro Pakistan Limited	-	1,031,500	-	1,031,500	-	**-**	**-**	**-**	-	-	-
The Organic Meat Company Limited	1,400,000	7,633,795	-	7,033,795	2,000,000	**91,607**	**87,520**	**(4,087)**	6.39	6.42	1.12
Treet Corporation Limited	-	7,825,000	-	7,825,000	-	**-**	**-**	**-**	-	-	-
Unity Foods Limited	-	2,300,000	-	2,300,000	-	**-**	**-**	**-**	-	-	-
						126,947	**122,043**	**(4,904)**	8.91	8.95	1.37
Insurance											
Pakistan Reinsurance Company Limited	-	6,013,500	-	6,013,500	-	**-**	**-**	**-**	-	-	-
TPL Insurance Limited	-	704,474	-	-	704,474	**18,698**	**19,352**	**654**	1.41	1.42	0.35
TPL Life Insurance Limited	-	5,000,000	-	25,000	4,975,000	**112,186**	**119,301**	**7,115**	8.72	8.75	2.22
						130,884	**138,653**	**7,769**	10.13	10.17	2.57
Investment Banks / Investment Companies / Securities Companies											
Engro Holdings Limited	-	395,000	-	208,618	186,382	**47,526**	**53,626**	**6,100**	3.92	3.93	0.02
Pakistan Stock Exchange Limited	-	200,000	-	200,000	-	**-**	**-**	**-**	-	-	-
						47,526	**53,626**	**6,100**	3.92	3.93	0.02
Oil and Gas Exploration Companies											
Mari Energies Limited	54,802	374,080	-	251,261	177,621	**121,393**	**119,768**	**(1,625)**	8.75	8.79	0.01
Oil And Gas Development Company Limited	447,000	338,500	-	588,500	197,000	**53,068**	**65,969**	**12,901**	4.82	4.84	-
Pakistan Petroleum Limited	588,500	1,125,000	-	1,434,000	279,500	**72,799**	**67,812**	**(4,987)**	4.95	4.97	0.01
						247,260	**253,549**	**6,289**	18.52	18.60	0.02
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	245,722	554,500	-	738,000	62,222	**23,674**	**21,302**	**(2,372)**	1.56	1.56	0.01
Sitara Petroleum Service Limited*	-	600,000	-	600,000	-	**-**	**-**	**-**	-	-	-
						23,674	**21,302**	**(2,372)**	1.56	1.56	0.01
Pharmaceuticals											
BF Biosciences Limited***	35,000	-	-	35,000	-	**-**	**-**	**-**	-	-	-
Glaxosmithkline Pakistan Limited	-	48,000	-	48,000	-	**-**	**-**	**-**	-	-	-
Highnoon Laboratories Limited	-	50,000	-	50,000	-	**-**	**-**	**-**	-	-	-
The Searle Company Limited	445	1,090,000	67	1,090,067	445	**47**	**42**	**(5)**	-	-	-
						47	**42**	**(5)**	-	-	-
Power Generation and Distribution											
Hub Power Company Limited	-	1,030,000	-	1,030,000	-	**-**	**-**	**-**	-	-	-
K-Electric Limited****	-	15,100,000	-	15,100,000	-	**-**	**-**	**-**	-	-	-
Nishat Chunian Power Limited	-	100,000	-	100,000	-	**-**	**-**	**-**	-	-	-
Nishat Power Limited	-	550,000	-	550,000	-	**-**	**-**	**-**	-	-	-
						-	**-**	**-**	-	-	-
Property											
TPL Properties Limited	3,654,238	31,415,762	-	30,293,931	4,776,069	**50,341**	**51,247**	**906**	3.74	3.76	0.85

Name of the investee companies	As at July 01, 2025	Purchased during the year	Bonus issue	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets	Par value as a percentage of paid-up capital of investee company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in '000)			(%)		
Real Estate Investment Trust											
TPL Reit Fund I	-	6,900,000	-	6,900,000	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	71,500	76,800	-	119,500	28,800	**24,662**	**24,499**	**(163)**	1.79	1.80	0.03
National Refinery Limited	-	778,600	-	774,000	4,600	**2,064**	**1,667**	**(397)**	0.12	0.12	0.01
Pakistan Refinery Limited	-	1,250,000	-	150,000	1,100,000	**40,410**	**39,237**	**(1,173)**	2.87	2.88	0.17
						67,136	**65,403**	**(1,733)**	4.78	4.80	0.21
Technology and Communication											
Hum Network Limited*	-	5,000,000	-	5,000,000	-	-	-	-	-	-	-
Netsol Technologies Limited	240,000	764,000	-	1,004,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	475,000	-	-	475,000	-	-	-	-	-	-	-
Systems Limited**	223,210	1,318,500	-	1,507,000	34,710	**4,976**	**5,105**	**129**	0.37	0.37	-
TPL Corp Limited	-	17,678,424	-	15,128,424	2,550,000	**42,941**	**40,596**	**(2,345)**	2.97	2.98	0.95
TPL Trakker Limited	3,752,000	5,500,000	-	3,942,131	5,309,869	**54,084**	**114,162**	**60,078**	8.34	8.37	2.84
TRG Pakistan Limited	-	330,000	-	330,000	-	-	-	-	-	-	-
Worldcall Telecom Limited	5,500,000	-	-	5,500,000	-	-	-	-	-	-	-
						102,001	**159,863**	**57,862**	11.68	11.72	3.79
Textile Composite											
Gul Ahmed Textile Mills Limited	-	800,100	-	800,100	-	-	-	-	-	-	-
Nishat Mills Limited	-	300,000	-	-	300,000	**48,726**	**47,358**	**(1,368)**	3.46	3.47	0.09
						48,726	**47,358**	**(1,368)**	3.46	3.47	0.09
Transport											
Blue-Ex Limited	-	500,000	-	500,000	-	-	-	-	-	-	-
Miscellaneous											
Pakistan Aluminium Beverage Cans Limited	-	275,000	-	275,000	-	-	-	-	-	-	-
As at June 30, 2026						**1,288,077**	**1,368,801**	**80,724**			
As at June 30, 2025						839,401	845,980	6,579			

* These shares have par value of Re. 1 per share.

** These shares have par value of Rs. 2 per share.

*** These shares have par value of Rs. 3 per share.

**** These shares have par value of Rs. 3.5 per share.

***** These shares have par value of Rs. 5 per share.

6.1.1 As at June 30, 2026 the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies:

	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	-----(Number of shares)-----		**-------(Rupees in '000)-------**	
Askari Bank Limited	**134,000**	-	**14,771**	-
Attock Refinery Limited	**10,000**	-	**8,507**	-
Engro Fertilizers Limited	**10,000**	-	**1,990**	-
Engro Holdings Limited	**14,000**	-	**4,028**	-

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	-----(Number of shares)-----		-------(Rupees in '000)-------	
Attock Cement Pakistan Limited	-	11,000	-	3,219
Fauji Cement Company Limited	**106,000**	100,000	**6,100**	4,467
Fauji Fertilizer Company Limited	**44,000**	-	**25,233**	-
Habib Bank Limited	**139,000**	130,000	**40,617**	23,295
Lucky Cement Limited	**40,000**	-	**18,781**	-
Mari Energies Limited	**57,000**	25,000	**38,435**	15,672
Maple Leaf Cement Factory Limited	-	279,000	-	23,514
Oil And Gas Development Company Limited	**173,000**	214,000	**57,933**	47,200
Pakistan Petroleum Limited	**30,000**	165,000	**7,279**	28,078
Pakistan State Oil Company Limited	-	87,500	-	33,034
Netsol Technologies Limited	-	20,000	-	2,659
MCB Bank Limited	-	5,000	-	1,442
	757,000	1,036,500	**223,674**	182,580

6.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies.The Finance Act, 2014 brought amendments in the ITO, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), has filed a petition in Sindh High Court to declare the amendments brought in ITO, 2001 with reference to tax on bonus shares for CISs as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the ITO, 2001. The Sindh High Court has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 4.043 million at June 30, 2026 (June 30, 2025: Rs. 2.978 million) and not yet deposited on CDC account of department of Income tax. The final outcome of the case is pending however, Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

These bonus shares include the following shares:

	As at June 30, 2026		As at June 30, 2025	
	Number of shares	**Market value**	Number of shares	Market value
		(Rupees in '000)		(Rupeess in '000)
Faysal Bank Limited	**1,440**	**143**	1,440	100
Pakistan State Oil Company Limited	**222**	**76**	222	84
The Searle Company Limited	**445**	**42**	445	39
Systems Limited	**25,710**	**3,782**	25,710	2,755
	27,817	**4,043**	27,817	2,978

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

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

			June 30, 2026	June 30, 2025
6.2	**Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net**	**Note**	**------- (Rupees in '000) -------**	
	Market value of investments		**1,368,801**	845,980
	Less: Carrying value of investments		**1,288,077**	839,401
			80,724	6,579
7.	**DIVIDEND AND MARK-UP RECEIVABLE**			
	Dividend receivable		**895**	306
	Mark-up receivable on savings account		**244**	50
			1,139	356
8.	**ADVANCES AND DEPOSITS**			
	Security deposits with:			
	National Clearing Company of Pakistan Limited (NCCPL)		**2,500**	2,500
	Central Depository Company of Pakistan Limited - the trustee		**100**	100
			2,600	2,600
	Advance tax	8.1	**315**	313
			2,915	**2,913**

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

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under Section 159 (1) of the ITO, 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO, 2001. The management is confident that the same will be refunded and retrun application has been filed till tax year 2021.

			June 30, 2026	June 30, 2025
9.	**RECEIVABLE FROM THE MANAGEMENT COMPANY**	**Note**	**------- (Rupees in '000) -------**	
	Receivable against expense reimbursement	9.1	**-**	4,192

9.1 As per SECP Direction No. SCD/PRDD/Direction/18/2016, Asset Management Companies (AMCs) were required to calculate the Total Expense Ratio (TER) for each CIS to ensure that the TER did not exceed the maximum limit prescribed under Regulation 60(5) of the NBFC Regulations. Where the TER exceeded the prescribed limit, the AMCs were required to adjust the Net Asset Value (NAV) of the respective CIS at the end of each quarter during the financial year by reversing the amount of expenses incurred in excess of the applicable limit. However, pursuant to the amendments made to the NBFC Regulations by the Securities and Exchange Commission of Pakistan (SECP) through Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits applicable to Collective Investment Schemes have been withdrawn with effect from July 01, 2025. Consequently, the requirement to cap the TER and make quarterly NAV adjustments for expenses exceeding the prescribed TER limit is no longer applicable from the effective date of the amendment.

During the year ended June 30, 2025, the Fund was in breach of the TER of maximum 4.5% as prescribed under NBFC Regulations for a CIS categoriesd as equity scheme. As a result the Fund has recorded receivable from Management Company to comply with the total expense ratio.

			June 30, 2026	June 30, 2025
10.	**PAYABLE TO THE MANAGEMENT COMPANY**	**Note**	**------- (Rupees in '000) -------**	
	Management remuneration payable	10.1	**3,166**	2,652
	Sindh sales tax payable on Management remuneration	10.2	**475**	398
	Selling and marketing expenses payable	10.3	**-**	225
	Sales load payable		**225**	51
			3,866	3,326

10.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Equity Scheme is capped at 3% per annum, calculated on the basis of the average daily net assets, effective from July 1, 2025. During the period the Management Company has charged management fees at a rate 3% of the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

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

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

			June 30, 2026	June 30, 2025
11.	**PAYABLE TO THE TRUSTEE**	**Note**	**---------- (Rupees in '000) ----------**	
	Trustee fee payable	11.1	**189**	169
	Sindh sales tax payable on remuneration of the Trustee	11.2	**28**	25
			217	194

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

Based on the Trust deed, Trustee fee has been charged based on the following tariff structure applicable to the Fund:

Average Net asset Value

- Upto Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher
- Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets on amount exceeding Rs. 1 billion

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

			June 30, 2026	June 30, 2025
12.	**PAYABLE TO SECP**	**Note**	**---------- (Rupees in '000) ----------**	
	SECP fee payable	12.1	**100**	270

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

			June 30, 2026	June 30, 2025
13.	**ACCRUED EXPENSES AND OTHER LIABILITIES**	**Note**	**---------- (Rupees in '000) ----------**	
	Provision for Federal excise duty (FED)	13.1	**5,685**	5,685
	Capital gain tax payable		**13,605**	3,064
	Withholding tax payable		**-**	1,910
	Brokerage payable		**3,029**	1,055
	Auditors' remuneration		**1,140**	529
	Other payables		**551**	487
	Zakat payable		**34**	27
			24,044	12,757

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

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

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

With effect from July 01, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 5.685 million (June 30, 2025: Rs. 5.685 million). Had the provision not been made, the net asset value per unit of the Fund as at 2026 would have been higher by Re. 0.973 per unit (June 30, 2025: Rs. 1.217 per unit).

14. CONTINGENCIES AND COMMITMENTS

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

15. NUMBER OF UNITS IN ISSUE

	June 30, 2026	June 30, 2025
	------ (Number of units) -----	
Movement during the year		
Total units in issue at the beginning	**4,672,344**	1,582,206
Add: Units issued	**16,905,998**	20,905,892
Less: Units redeemed	**15,738,207**	17,815,754
Total units in issue at the end	**5,840,135**	4,672,344

16. AUDITORS' REMUNERATION

	June 30, 2026	June 30, 2025
	------ (Number of units) -----	
Annual audit fee	**513**	465
Fee for half yearly review	**222**	202
Other certifications	**155**	145
Out of pocket	**77**	67
	967	879
Sindh sales tax	**77**	70
	1,044	949

17. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

Since the management distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

18. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period from July 1, 2025 to June 30, 2026 is 5.93% (2025: 5.15%), which includes 0.83% (2025: 0.80%) representing government levy, SECP fee, and other related charges. However, pursuant to the amendments in the NBFC Regulations, by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

19. TRANSACTIONS AND BALANCES OUTSTANDING WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include HBL Asset Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

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

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

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

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

	June 30, 2026	June 30, 2025
19.1 Details of transactions with related parties / connected persons during the year:	**------- (Rupees in '000) -------**	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	**40,489**	23,205
Sindh sales tax on remuneration of the Management Company	**6,073**	3,481
Expenses reimbursement from Management Company	**-**	4,192
Amount received from Management Company against issuance to unitholders*	**-**	3,433
Issue of 763,384 units (2025: Nil units)	**174,000**	-
Redemption of 447,895 units (2025: Nil units)	**101,592**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration of the Trustee	**2,347**	1,111
Sindh sales tax on remuneration of the Trustee	**352**	167
Central Depository service charges	**401**	298
Habib Bank Limited - Sponsor		
Dividend income	**4,979**	2,199
Mark-up on bank deposits	**3,615**	1,915
Purchase of 547,000 shares (2025: Nil)	**152,770**	-
Sale of 507,388 shares (2025: Nil)	**165,478**	-
Directors and Executives of the Management Company		
Issue of 387,488 units (2025: 762,315 units)	**84,381**	135,087
Redemption of 389,365 units (2025: 736,789 units)	**86,288**	134,764
The Citizens Foundation - Connected Person due to holding more than 10% units		
Issue of Nil units (2025: 1,231 units)	**-**	252
19.2 Balances outstanding as at year end		
HBL Asset Management Limited - Management Company		
Management remuneration payable	**3,166**	2,652
Sindh sales tax on remuneration of the Management Company	**475**	398
Sales load payable	**225**	51
Selling and marketing expense payable	**-**	225
Receivable from the Management Company	**-**	4,192
Units held: 315,489 units (June 30, 2025: Nil units)	**73,645**	-

	June 30, 2026	June 30, 2025
	------- (Rupees in '000) -------	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**189**	169
Sindh sales tax payable on Trustee fee	**28**	25
Security deposit	**100**	100
CDS charges payable	**30**	61
Habib Bank Limited - Sponsor		
Bank balances	**77,431**	288
Units held: 5,481 units (June 30, 2025: 5,481 units)	**1,279**	1,019
HBL Microfinance Bank Limited - Associate		
Bank balances	**111**	21
Profit receivable	**466**	-
Directors and Executives of the Management Company		
Units held: 28,305 units (June 30, 2025: 30,233 units)	**6,607**	5,637
The Citizens Foundation - Connected Person due to holding more than 10% units		
Units held: 755,468 units (June 30, 2025: 755,468 units)	**176,349**	140,869

* This represents amount reimbursed by the Management Company in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses and allocated expenses as per the direction of SECP.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Particular	June 30, 2026						
	Carrying amount			Fair Value			
	Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	----------(Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	**1,368,801**	**-**	**1,368,801**	**1,368,801**	**-**	**-**	**1,368,801**
Financial assets not measured at fair value							
Bank balances	**-**	**91,831**	**91,831**				
Dividend and mark-up receivable	**-**	**1,139**	**1,139**				
Deposits	**-**	**2,600**	**2,600**				
Receivable from the Management Company	**-**	**-**	**-**				
	-	**95,570**	**95,570**				
Financial liabilities not measured at fair value							
Payable to the Management Company	**-**	**3,391**	**3,391**				
Payable to the Trustee	**-**	**189**	**189**				
Payable against redemption of units	**-**	**1,712**	**1,712**				
Payable against purchase of investments	**-**	**71,480**	**71,480**				
Accrued expenses and other liabilities	**-**	**4,240**	**4,240**				
	-	**81,012**	**81,012**				

During the year ended June 30, 2026, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	June 30, 2025						
	Carrying amount			Fair Value			
	Fair value through profit and loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	----------(Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	845,980	-	845,980	845,980	-	-	845,980
Financial assets not measured at fair value							
Bank balances	-	43,263	43,263				
Dividend and mark-up receivable	-	356	356				
Deposits	-	2,600	2,600				
Receivable against sale of investments - net	-	33,295	33,295				
Receivable from the Management Company	-	4,192	4,192				
	-	83,706	83,706				

Particulars	June 30, 2025						
	Carrying amount			Fair Value			
	Fair value through profit and loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	----------(Rupees in '000) ----------						
Financial liabilities not measured at fair value							
Payable to the Management Company	-	2,928	2,928				
Payable to the Trustee	-	169	169				
Payable against redemption of units	-	42,222	42,222				
Accrued expenses and other liabilities	-	1,894	1,894				
	-	47,213	47,213				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

21. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in the unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

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

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

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

The Fund has maintained and complied with the requirements of minimum fund size of Rs. 100 million during the current year.

22. FINANCIAL RISK MANAGEMENT

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

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

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

22.1 Market risk

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

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the SECP.

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

22.1.1 Currency risk

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

22.1.2 Profit rate risk

Yield / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances.

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

	June 30, 2026	June 30, 2025
	---------- (Rupees in '000) ----------	
Variable rate instrument (financial asset)		
Bank balances	**91,630**	43,062

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in savings accounts, the interest rates on which ranging between 11.00% to 13.15% (June 30, 2025: 9.00% to 12.00%) per annum.

The Fund's interest rate risk arises from the balances in savings accounts. In case of 100 basis points increase / decrease in interest rates on June 30, 2026 with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.9163 million (June 30, 2025: Rs. 0.4306 million).

b) Fair value interest rate risk

The Fund currently does not have any fixed rate instruments and therefore, it is not exposed to fair value interest rate risk.

The fund interest rate sensitivity related to financial assets and liablities as at June 30, 2026 as follows:

	June 30, 2026				
		Exposed to yield / interest rate risk			
	Effective yield interest rate	**Upto three months**	**More than three months and upto one year**	**More than one year**	**Not exposed to yield/ interest rate risk**	**Total**
On-balance sheet financial instruments	**------(%)------**	**---------- (Rupees in '000) ----------**				
Financial assets:						
Bank balances	11.00 - 13.15	**91,630**	**-**	**-**	**201**	**91,831**
Investments						
Listed equity securities		**-**	**-**	**-**	**1,368,801**	**1,368,801**
Dividend and mark-up receivable		**-**	**-**	**-**	**1,139**	**1,139**
Deposits		**-**	**-**	**-**	**2,600**	**2,600**
Sub total		**91,630**	**-**	**-**	**1,372,741**	**1,464,371**
Financial liabilities:						
Payable to the Management Company		**-**	**-**	**-**	**3,391**	**3,391**
Payable to the Trustee		**-**	**-**	**-**	**189**	**189**
Payable against redemption of units		**-**	**-**	**-**	**1,712**	**1,712**
Payable against purchase of investments		**-**	**-**	**-**	**71,480**	**71,480**
Accrued expenses and other liabilities		**-**	**-**	**-**	**4,240**	**4,240**
		-	**-**	**-**	**81,012**	**81,012**

	June 30, 2025					
		Exposed to yield / interest rate risk				
	Effective yield interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield/ interest rate risk	Total
On-balance sheet financial	------(%)------	---------- (Rupees in '000) ----------				
Financial assets						
Bank balances	9.00 - 12.00	43,062	-	-	201	43,263
Investments						
Listed equity securities		-	-	-	845,980	845,980
Dividend and mark-up receivable		-	-	-	356	356
Deposits		-	-	-	2,600	2,600
Receivable against sale of investments - net		-	-	-	33,295	33,295
Receivable from the Management Company		-	-	-	4,192	4,192
Sub total		43,062	-	-	886,624	929,686
Financial liabilities:						
Payable to the Management Company		-	-	-	2,928	2,928
Payable to the Trustee		-	-	-	169	169
Payable against redemption of units		-	-	-	42,222	42,222
Accrued expenses and other ????		-	-	-	1,894	1,894
		-	-	-	47,213	47,213

22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as Financial Asset at 'fair value through profit or loss'. To manage it's price risk arising from investments in equity securities, the Fund diversifies it's portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities of not more than 10% of net assets of the Fund or issued capital of the investee company.

In case of 5% increase / (decrease) in price of all shares held by Fund at the year end, net loss for the year would decrease / increase by Rs. 68.4 million (June 30, 2025: Rs. 42.3 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

22.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk preliminary attributable to bank balances and credit exposure arising as a result of dividend receivable on equity securities.

22.2.1 Management of credit risk

For banks the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. All transactions in listed securities are settled / paid for delivery using the system of NCCPL. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed, the requirements of the NBFC Rules and the Regulations and the guidelines given by the SECP from time to time.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	Note	June 30, 2026		June 30, 2025	
		Balance as per statement of assets and liabilities	**Maximum exposure to credit risk**	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
		----------(Rupees '000)----------			
Bank balances	5	**91,831**	**91,831**	43,263	43,263
Investment in listed equity secuirties	6	**1,368,801**	**-**	845,980	-
Dividend and mark-up receivable	7	**1,139**	**1,139**	356	356
Receivable against sale of investments - net		**-**	**-**	33,295	33,295
Deposits	8	**2,600**	**2,600**	2,600	2,600
Receivable from the Management Company	9	**-**	**-**	4,192	4,192
		1,464,371	**95,570**	929,686	83,706

The analysis below summarises the credit quality of the Funds' bank balances as at June 30, 2026 and June 30, 2025.

Name of the bank	**June 30, 2026**	**Latest available published rating as at June 30, 2026**	**Rating agency**
	(Rupees in '000)		
Bank balances by rating category:			
Habib Bank Limited	**77,431**	**AAA**	**VIS**
MCB Bank Limited	**236**	**AAA**	**PACRA**
Soneri Bank Limited	**13,956**	**AA**	**PACRA**
Khushhali Microfinance Bank Limited	**18**	**A-**	**VIS**
JS Bank Limited	**24**	**AA**	**PACRA**
Habib Metropolitan Bank Limited	**18**	**AAA**	**PACRA**
Mobilink Microfinance Bank Limited	**10**	**A**	**PACRA**
National Bank of Pakistan	**10**	**AAA**	**VIS**
Zarai Taraqiati Bank Limited	**11**	**AAA**	**VIS**
Allied Bank Limited	**6**	**AAA**	**PACRA**
HBL Microfinance Bank Limited	**111**	**A+**	**VIS**
	91,831		

Name of the bank	June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	(Rupees in '000)		
Bank balances by rating category:			
Habib Bank Limited	288	AAA	VIS
MCB Bank Limited	201	AAA	PACRA
Soneri Bank Limited	42,689	AA-	PACRA
Khushhali Microfinance Bank Limited	-	A-	VIS
JS Bank Limited	24	AA	PACRA
Habib Metropolitan Bank Limited	-	AA+	PACRA
Mobilink Microfinance Bank Limited	10	A	VIS
National Bank of Pakistan	10	AAA	PACRA
Zarai Taraqiati Bank Limited	11	AAA	VIS
Allied Bank Limited	9	AAA	PACRA
HBL Microfinance Bank Limited	21	A+	VIS
	43,263		

The maximum exposure to credit risk as at June 30, 2026 and June 30, 2025 is the carrying amount of the financial assets other than investments in equity securities.

The analysis below summarises the credit quality of the Fund's credit exposure:

	June 30, 2026	June 30, 2025
	---------- (%) ----------	
Rating by rating category		
A	**0.01**	0.02
A-	**0.02**	-
A+	**0.12**	0.05
AA-	**-**	98.67
AA+	**-**	0.67
AA	**15.22**	0.06
AAA	**84.63**	0.53
	100	100

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in listed equity securities and bank balances, while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery.

22.3 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting it's obligations arising from it's financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Funds.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, no such instances were witnessed by the Fund during the current year .

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	Note	June 30, 2026					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		(Rupees in '000)					
Financial assets							
Bank balances	**5**	**91,831**	**-**	**-**	**-**	**-**	**91,831**
Investments Listed equity securities	**6**	**1,368,801**	**-**	**-**	**-**	**-**	**1,368,801**
Dividend and mark-up receivable	**7**	**1,139**	**-**	**-**	**-**	**-**	**1,139**
Deposits	**8**	**2,600**	**-**	**-**	**-**	**-**	**2,600**
		1,464,371	**-**	**-**	**-**	**-**	**1,464,371**
Financial liabilities							
Payable to the Management Company	**10**	**3,391**	**-**	**-**	**-**	**-**	**3,391**
Payable to the Trustee	**11**	**189**	**-**	**-**	**-**	**-**	**189**
Payable against redemption of units		**1,712**	**-**	**-**	**-**	**-**	**1,712**
Payable against purchase of investments		**71,480**	**-**	**-**	**-**	**-**	**71,480**
Accrued expenses and other liabilities	**13**	**4,240**	**-**	**-**	**-**	**-**	**4,240**
		81,012	**-**	**-**	**-**	**-**	**81,012**
On-balance sheet gap		**1,383,359**	**-**	**-**	**-**	**-**	
Total liquidity risk sensitivity gap		**1,383,359**	**-**	**-**	**-**	**-**	
Cumulative liquidity risk sensitivity gap		**1,383,359**	**-**	**-**	**-**	**-**	

		June 30, 2025					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		(Rupees in '000)					
Financial assets							
Bank balances	5	43,263	-	-	-	-	43,263
Investments Listed equity securities	6	845,980	-	-	-	-	845,980
Dividend and mark-up receivable	7	356	-	-	-	-	356
Deposits	8	2,600	-	-	-	-	2,600
Receivable against sale of investments - net		33,295	-	-	-	-	33,295
Receivable from the Management Company	9	4,192	-	-	-	-	4,192
		929,686	-	-	-	-	929,686
Financial liabilities							
Payable to the Management Company	10	2,928	-	-	-	-	2,928
Payable to the Trustee	11	169	-	-	-	-	169
Payable against redemption of units		42,222	-	-	-	-	42,222
Accrued expenses and other liabilities	13	1,894	-	-	-	-	1,894
		47,213	-	-	-	-	47,213
On-balance sheet gap		882,473	-	-	-	-	
Total liquidity risk sensitivity gap		882,473	-	-	-	-	
Cumulative liquidity risk sensitivity gap		882,473	-	-	-	-	

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2025 are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3.	Mr. Amin Mohammad	Chief Risk Officer	MBA	34
4.	Mr. Sunny Kumar	Head of Equities	B.Com	8
5.	Mr. Wasim Akram	Senior Fund Manager	MBA	23

25. PATTERN OF UNIT HOLDING

Pattern of unit holding as at June 30, 2026 is as follows:

Category	June 30, 2026			
	Number of unit holders	Number of units held	Investment amount	Percentage
			('Rupees in '000)	----- (%) -----
Individuals	1,381	4,413,730	1,030,300	75.58
Associated Company	1	5,481	1,279	0.09
Asset Management Company	1	315,489	73,645	5.40
Trusts	3	756,244	176,531	12.95
Insurance companies	3	346,392	80,858	5.93
Retirement Funds	3	346	81	0.01
Other Corporates	8	1,226	286	0.02
Foreign investors	5	1,227	286	0.02
Total	1,405	5,840,135	1,363,266	100.00

Pattern of unit holding as at June 30, 2025 was as follows:

Category	June 30, 2025			
	Number of unitholders	Number of units held	Investment amount	Percentage
			('Rupees in '000)	----- (%) -----
Individuals	877	3,896,581	726,578	83.40
Associated Company	1	5,481	1,022	0.12
Trusts	2	756,244	141,013	16.18
Insurance companies	2	570	106	0.01
Retirement Funds	3	346	64	0.01
Other Corporates	9	11,894	2,218	0.25
Foreign investors	3	1,227	229	0.03
Total	897	4,672,343	871,230	100.00

26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Nine meetings of the Board were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No	Name of Director	Number of meetings		Leaves Granted	Meetings not attended
		Held	Attended		
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 4, 2026
3	Mr. Khalid Malik	9	9	-	-
4	Mr. Tariq Masaud	9	8	1	October 30, 2025
5	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 & March 04, 2026
6	Mr. Mir Adil Rashid	9	9	-	-
7	Ms. Sheeza Ahmed	9	9	-	-
8	Mr. Irfan Ahmed Meer ***	3	2	1	April 29, 2026
9	Dr. Sahar Awan ***	3	3	-	-
10	Mr. Rayomond H. Kotwal **	6	5	1	December 22,2025
11	Mr. Habib Yousuf Habib *	3	3	-	-

* Resigned on November 27, 2025.
** Resigned on April 06, 2026.
*** Appointed on April 08, 2026.

27. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

28. GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Energy Fund

FUND INFORMATION

NAME OF FUND	HBL Energy Fund
NAME OF AUDITOR	Yousuf Adil Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limtied (CDC)
BANKERS	Habib Bank Limited Allied Bank Limited MCB Bank Limited JS Bank Limited Soneri Bank Limited Zarai Taraqiati Bank Limited Habib Metropolitan Bank Limited Khushali Bank Limited Mobilink Micro Finance Bank Limited U Micro Finance Bank Limited National Bank of Pakistan HBL Micro Finance Bank Limited

Type and Category of Fund

Equity / Open-end

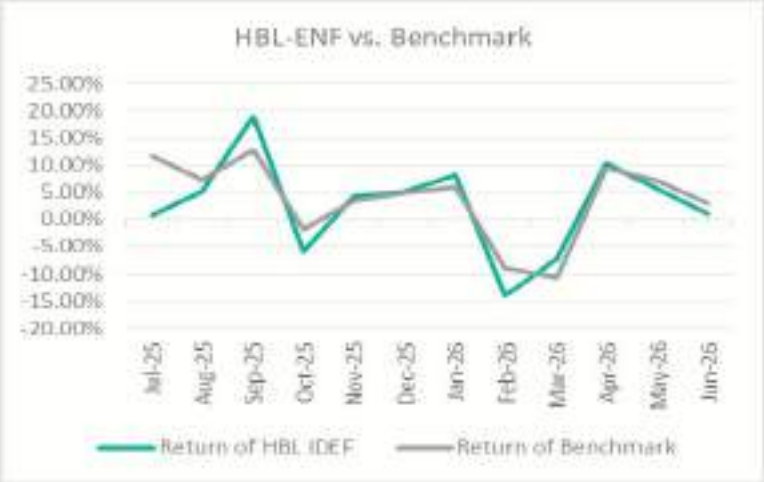
Investment Objective and Accomplishment of Objective

The objective is to invest in securities defined in the energy sector to provide investors access to high-quality blue-chip stocks in the Energy sector.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KSE-30 Total Return Index

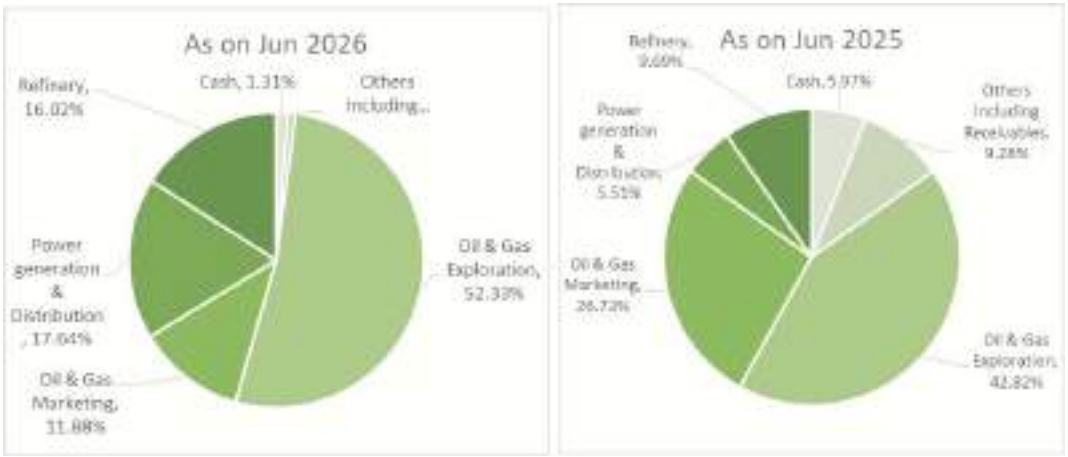
Month	Return of Fund	
	HBL-ENF	Benchmark
Jun-26	0.92%	2.55%
May-26	5.61%	2.54%
Apr-26	10.28%	2.46%
Mar-26	-7.22%	2.56%
Feb-26	-13.84%	2.67%
Jan-26	8.15%	2.68%
Dec-25	5.04%	2.74%
Nov-25	4.18%	2.71%
Oct-25	-5.94%	2.73%
Sept-25	18.67%	4.91%
Aug-25	5.23%	5.02%
Jul-25	0.84%	5.02%



Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equities from 84.75% on June 30, 2025 to 97.87% as on June 30, 2026. Further, sector-wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in oil and gas exploration, refinery and power generation and distribution were increased, while exposure in oil and gas marketing was decreased.

Asset Allocation



Significant Changes in Asset Allocation during the Year

The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2026 and June 30, 2025:

Sector	As on Jun 2026	As on Jun 2025
Cash	1.31%	5.97%
Others Including Receivables	0.83%	9.28%
Oil & Gas Exploration	52.33%	42.82%
Oil & Gas Marketing	11.88%	26.73%
Power generation & Distribution	17.64%	5.51%
Refinery	16.01%	9.69%
Total	**100.00%**	**100.00%**

Fund Performance

The total and net income of the Fund was Rs. 635.62 million and Rs. 525.49 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 34.7606 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.50 per unit) as compared to Rs. 26.7616 per unit as on June 30, 2025, thereby giving a return of 31.73%. During the same period the benchmark KSE 30 index yielded a return of 49.38%. The size of Fund was Rs. 2.22 billion as on June 30, 2026 as compared to Rs. 1.83 billion at the start of the year.

Market Review

During FY2026, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KSE All-Share Index rising to 911 million shares (up 44% from 633 million shares in the same period last year). Average daily traded value surged 51% to PKR 42.5 billion, up from PKR 28.15 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution

The Board of Directors approved distribution of up-to Rs. 0.50 per unit to the unit holders for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Fund.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	566	10,168
101 - 500	226	56,386
501 - 1,000	3,085	2,544,840
1,001 - 10,000	1,338	4,455,246
10,001 - 100,000	403	12,706,737
100,001 - 500,000	62	12,494,976
500,001 - 1,000,000	6	4,115,571
1,000,001 - 5,000,000	10	27,416,278
5,000,001 and above	-	-
Total	**5,696**	**63,800,202**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL ENERGY FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end(Rs'000)	2,217,731	1,826,744	566,732	241,498	431,182	774,522
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	34.7606	26.7616	16.9821	9.8261	9.8637	11.9855
Offer	35.5601	27.3771	17.3659	10.0482	10.0866	12.2564
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	39.2626	31.7656	18.7607	11.27	12.3229	13.2351
Lowest offer price per unit	27.0814	16.5654	10.8489	9.28	9.5629	10.3691
Highest redemption price per unit	38.3799	31.0514	18.3461	11.02	12.0506	12.9426
Lowest redemption price per unit	26.4725	16.193	10.6091	9.07	9.3516	10.1399
RETURN (%)						
Total return	31.73%	60.53%	77.92%	-0.38%	-17.70%	19.73%
Income distribution	1.87%	2.94%	5.09%	0.00%	0.00%	0.00%
Capital growth	29.86%	57.59%	72.83%	-0.38%	-17.70%	19.73%
DISTRIBUTION						
Final dividend distributation (Rs)	0.50	0.50	0.50	0	0	0
Date of Income Distribution	24-Jun-26	29-Jun-25	28-Jun-24	0	0	0
Total dividend distribution for the year/ period (Rs)	0.50	0.50	0.50	0	0	0
AVERAGE RETURNS (%)						
Average annual return 1 year	31.73%	60.53%	77.92%	-0.38%	-17.70%	19.73%
Average annual return 2 year	45.42%	69.00%	33.13%	-9.45%	-0.73%	3.82%
Average annual return 3 year	55.53%	41.70%	13.41%	-0.62%	-3.92%	-6.55%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	1.31%	6%	4%	9%	5%	2%
Stock / Equities	97.87%	85%	94%	81%	94%	94%
Others Including receivables	0.83%	9%	1%	10%	1%	5%

Summary of Actual Proxy voted by CIS

HBL EF	Meetings	Resolutions	For	Against
Number	1	6	6	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Attock Petroleum Ltd		
Attock Refinery Ltd	10/15/2025	
K-ELECTRIC LIMITED	11/11/2025	25-Mar-26
Mari Energies Limited	9/26/2025	22-Mar-26
NATIONAL REFINERY LTD	9/30/2025	
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
PAKISTAN OILFIELDS LIMITED	27 -OCT-2025;15/10/2025	
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan State Oil Company Ltd	10/24/2025	
SUI NORTHERN GAS PIPELINES LIMITED	11/27/2025	
SUI SOUTHERN GAS COMPANY LIMITED	11/27/2025	23-Dec-25
THE HUB POWER COMPANY LIMITED		7-Aug-25

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL ENERGY FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Energy Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Energy Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Energy Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 2,223.490 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained independent confirmations from the Central Depository Company of Pakistan Limited for verifying the existence of the listed equity investments portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Hena Sadiq.**

Chartered Accountants
Place: Karachi
Date: September 28, 2025
UDIN: AR202610053pJvMVeu78

HBL ENERGY FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
		------ (Rupees in '000) ------	
ASSETS			
Bank balances	5	**63,881**	114,996
Investments	6	**2,223,490**	1,905,490
Dividend and mark-up receivable	7	**1,097**	628
Advances, deposits and prepayments	8	**3,078**	3,078
Receivable from Management Company	9	**-**	1,330
Total assets		**2,291,546**	2,025,522
LIABILITIES			
Payable to the Management Company	10	**6,505**	8,765
Payable to the Trustee	11	**490**	465
Payable to SECP	12	**182**	163
Unclaimed dividend		**5,382**	5,382
Dividend payable		**988**	5,203
Payable against purchase of investments		**37,321**	-
Payable against redemption of units		**-**	157,865
Accrued expenses and other liabilities	13	**22,947**	20,935
Total liabilities		**73,815**	198,778
NET ASSETS		**2,217,731**	1,826,744
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**2,217,731**	1,826,744
CONTINGENCIES AND COMMITMENTS	14		
		------ (Number of units) ------	
NUMBER OF UNITS IN ISSUE	15	**63,800,202**	68,259,847
		------ (Rupees) ------	
NET ASSETS VALUE PER UNIT	4.8	**34.7606**	26.7616

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ENERGY FUND
Income Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
INCOME			
Capital gain on sale of investment - net		**237,492**	114,784
Dividend income		**123,125**	83,352
Mark-up on bank deposits		**7,687**	6,978
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net	6.2	**267,312**	221,020
		635,616	426,134
EXPENSES			
Remuneration of the Management Company	10.1	**72,962**	49,755
Sindh sales tax on remuneration of the Management Company	10.2	**10,944**	7,463
Allocated expenses		**-**	449
Sindh sales tax on allocated expenses		**-**	67
Remuneration of the Trustee	11.1	**3,432**	2,558
Sindh sales tax on remuneration of the trustee	11.2	**515**	384
SECP fee	12.1	**2,311**	1,403
Auditors' remuneration	16	**1,180**	838
Fee and subscription		**62**	226
Legal charges		**334**	150
Securities transaction costs		**16,691**	11,250
Reimbursment of expenses from Management Company	9	**-**	(1,330)
Settlement and bank charges		**1,700**	1,196
		110,131	74,409
Net Income for the year before taxation		**525,485**	351,725
Taxation	17	**-**	-
Net Income for the year after taxation		**525,485**	351,725
Allocation of net income for the year			
Net income for the year after taxation		**525,485**	351,725
Income already paid on redemption of units		**(379,019)**	(218,239)
		146,466	133,486
Accounting income available for distribution:			
Relating to capital gains		**140,702**	127,444
Excluding capital gains		**5,764**	6,042
		146,466	133,486

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ENERGY FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	-------- (Rupees in '000) --------	
Net Income for the year after taxation	**525,485**	351,725
Other comprehensive income	**-**	-
Total comprehensive Income for the year	**525,485**	351,725

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL ENERGY FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2026			2025		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the year	**1,731,744**	**95,000**	**1,826,744**	583,203	(16,471)	566,732
Issuance of 214,227,692 units (2025: 190,124,221 units)						
Capital value (at net asset value per unit at the beginning of the year)	**5,733,076**	**-**	**5,733,076**	3,228,709	-	3,228,709
Element of income	**1,216,227**	**-**	**1,216,227**	1,807,333	-	1,807,333
	6,949,303	**-**	**6,949,303**	5,036,042	-	5,036,042
Redemption of 218,687,337 units (2025: 155,236,695 units)						
Capital value (at net asset value per unit at the beginning of the year)	**(5,852,423)**	**-**	**(5,852,423)**	(2,636,245)	-	(2,636,245)
Income already paid on redemption of units	**-**	**(379,019)**	**(379,019)**	-	(218,239)	(218,239)
Element of income	**(825,235)**	**-**	**(825,235)**	(1,239,614)	-	(1,239,614)
	(6,677,658)	**(379,019)**	**(7,056,677)**	(3,875,859)	(218,239)	(4,094,098)
Total comprehensive Income for the year	**-**	**525,485**	**525,485**	-	351,725	351,725
Interim distribution for the year ended 2026 @ Re. 0.5 per unit declared on June 24, 2026 (2025: Re. 0.5 per unit)	**-**	**(27,124)**	**(27,124)**	-	(22,015)	(22,015)
Refund of capital	**-**	**-**	**-**	(11,642)	-	(11,642)
	-	**498,361**	**498,361**	(11,642)	329,710	318,068
Net assets at end of the year	**2,003,389**	**214,342**	**2,217,731**	1,731,744	95,000	1,826,744
Undistributed income brought forward						
- Realised loss		**(126,020)**			(77,562)	
- Unrealised gain		**221,020**			61,091	
		95,000			(16,471)	
Accounting income available for distribution						
- Relating to capital gains		**140,702**			127,444	
- Excluding capital gains		**5,764**			6,042	
		146,466			133,486	
Distributions during the year		**(27,124)**			(22,015)	
Undistributed gain carried forward		**214,342**			95,000	
Undistributed gain carried forward:						
- Realised loss		**(52,970)**			(126,020)	
- Unrealised gain		**267,312**			221,020	
		214,342			95,000	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		**26.7616**			16.9821	
Net assets value per unit at end of the year		**34.7606**			26.7616	

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive Officer**	**Director**

HBL ENERGY FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
		---- (Rupees in '000) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year before taxation		**525,485**	351,725
Adjustments for non cash and other items:			
Capital gain on sale of investment - net		**(237,492)**	(114,784)
Dividend income		**(123,125)**	(83,352)
Mark-up on bank deposits		**(7,687)**	(6,978)
Unrealised gain on re-measurement of investments at 'fair value through profit or loss' - net		**(267,312)**	(221,020)
		(110,131)	(74,409)
Decrease / (increase) in assets			
Investments - net		**224,125**	(1,009,384)
Receivable from Management Company		**1,330**	1,153
Advances, deposits and prepayments		**-**	(1)
		225,455	(1,008,232)
(Decrease) / increase in liabilities			
Payable to the Management Company		**(2,260)**	7,033
Payable to the Trustee		**25**	360
Payable to SECP		**19**	119
Accrued expenses and other liabilities		**2,012**	2,584
		(204)	10,096
Net cash generated from / (used in) operations		**115,120**	(1,072,545)
Dividend received		**122,508**	83,328
Mark-up received on bank deposits		**7,835**	6,907
		130,343	90,235
Net cash generated from / (used in) operating activities		**245,463**	(982,310)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of units		**6,949,303**	5,036,042
Payment against redemption of units		**(7,214,542)**	(3,936,233)
Dividend paid		**(31,339)**	(28,455)
Net cash (used in) / generated from financing activities		**(296,578)**	1,071,354
Net (decrease) / increase in cash and cash equivalents		**(51,115)**	89,044
Cash and cash equivalents at the beginning of the year		**114,996**	25,952
Cash and cash equivalents at end of the year	5	**63,881**	114,996

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Energy Fund ("the Fund") was established under a Trust Deed executed between PICIC Asset Management Limited (now, HBL Asset Management Limited) as the Management Company and the Central Depository Company of Pakistan Limited (CDC / Trustee) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter no. SC/NBFC-II/AD/PICICAMC/157/2005 dated February 25, 2005 and the trust deed was executed on March 16, 2006.

1.2 Through an order dated August 31, 2016, the Securities and Exchange Commission of Pakistan (SECP / the Commission) approved the merger of PICIC Asset Management Company Limited with and into HBL Asset Management Limited effective from August 31, 2016 and the trust deed was revised on February 17, 2017. Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.3 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.4 Effective from September 01, 2016, HBL Asset Management Limited became Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

1.5 Since the effective date of conversion, the certificates of the closed-end scheme were de-listed from Pakistan Stock Exchange (PSX). Units of the open-end scheme are listed on the PSX. The units are offered to the public for subscription on a continuous basis and are transferable and redeemable by surrendering them to the Fund.

1.6 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.7 The Fund has been categorised as an Equity Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

1.8 The investment objective of the Fund is to invest in securities of the energy sector in Pakistan so as to provide investors an access to high quality blue chip stocks in the energy sector. The eligible stocks comprise of investment in shares of companies engaged in the following activities:

- Oil and Gas Exploration;
- Oil and Gas Marketing;
- Oil Refining; and
- Power Generation and Distribution.

1.9 VIS Credit Rating Company has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at December 31, 2025.

1.10 Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of, directives and notifications issued under the Act along with part VIIIA of the repealed Companies Ordinance, 1984; and

- NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the investments which are measured at fair value.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic enviroment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 4.2.1.1 and 6);
- Impairment of financial assets (note 4.2.1.3);
- Provision (note 4.3);
- Taxation (notes 4.4 and 17);
- Classification and measurements of financial liabilities (note 4.2.2.1);
- Contingencies and commitments (note 14).

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

3. APPLICATION OF NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. This amendment is not relevant to the Fund's operations.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability.

3.2 New accounting standards and amendments and interpretations that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except those mentioned in note 3.3.

	Effective from accounting period beginning on or after
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Classification And Measurement of Financial Instruments	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
Annual improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
IFRS 17 – 'Insurance Contracts' (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 18 - 'Presentation and Disclosures in Financial Statements'.	January 01, 2027
IFRS 19 - 'Subsidiaries without Public Accountability: Disclosures'.	January 01, 2027

3.3 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 - Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short-term highly liquid investments with original maturities of three months or less.

4.2 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.2.1 Financial assets

4.2.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (FVOCI), interest income and impairment losses or reversals are recognised in the Income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income (OCI) in statement of comprehensive income. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the Income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at fair value through profit or loss (FVTPL). In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in OCI and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Dividends are recognised as income in the Income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

The Fund elected not to classify irrevocably any of the equity investments under this category on initial recognition.

Financial assets at fair value through profit or loss (equity instruments)

Equity investments which the Fund had not irrevocably elected to classify at FVOCI are classified as at FVTPL. Financial assets at FVTPL are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the Income statement.

Dividends on equity investments are recognised as income in the Income statement when the right of payment has been established.

The Fund elected to classify all of the equity investments at FVTPL on initial recognition.

4.2.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government securities not listed on PSX and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV) which are based on the remaining tenure of the securities. Moreover, listed Government Securities traded on PSX are valued at revaluation rates disseminated by PSX.

Basis of valuation of equity securities:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the PSX's website.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

4.2.1.3 Impairment of financial assets

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP / Commission through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.2.1.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.2.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or

- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

4.2.2 Financial liabilities

4.2.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the EIR method or at FVTPL.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading) or the Fund has opted to measure them at FVTPL.

4.2.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Income statement.

4.2.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO, 2001) subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains and accumualted loss, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the ITO, 2001.

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors (the Board) of the Management Company. Based on MUFAP's guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of the Management Company.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable. Redemption of units is recorded on acceptance of application for redemption.

4.7 Element of Income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net assets value per unit

The net assets value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Realised capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Dividend income from equity securities is recognised when the right to receive the dividend is established.
- Mark up on bank deposits is recognised on a time apportionment basis using bank's approved rates.
- Income / profit from investments in Government Securities is recognised on a time proportionate basis using EIR method.
- Unrealised gain / (loss) arising on re-measurement of investments at fair value through profit or loss' are included in the income statement in the year in which they arise.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee fee and the SECP fee are recognised in the income statement on an accrual basis.

4.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

			June 30, 2026	June 30, 2025
5.	**BANK BALANCES**	**Note**	**----- (Rupees in '000) -----**	
	In current accounts		**11**	11
	In savings accounts	5.1	**63,870**	114,985
			63,881	114,996

5.1 These carry mark-up at rates ranging between 9.5% to 12.1% (June 30, 2025: 8% to 12%) per annum. This includes an amount held by related parties, Habib Bank Limited amounting to Rs. 18.630 million (June 30, 2025: Rs. 1.607 million) on which mark-up is earned at rate of 12.1% (June 30, 2025: 11.50%) per annum and HBL Microfinance Bank Limited amounting to Rs. 0.04873 million (June 30, 2025: Rs. 0.0382 million) on which mark-up is earned at rate of 11% (June 30, 2025: 11.25%) per annum.

6. INVESTMENTS	Note	June 30, 2026	June 30, 2025
		----- (Rupees in '000) -----	
Investment at fair value through profit or loss			
Listed equity securities	6.1	**2,223,490**	1,905,490

6.1 Investment at fair value through profit or loss - Listed equity securities

Shares of Listed Companies - Fully paid up ordinary shares of Rupees 10 each unless stated otherwise

Name of the Investee Company	Notes	As at July 01, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as percentage of total investments	Market value as percentage of net assets	Par value as a percentage of paid-up capital of the investee company
						Carrying value	Market Value	Unrealized gain			
		---------- (Number of shares) ----------				---------- (Rupees in '000') ----------			---------- (%) ----------		
Oil and Gas Exploration Companies											
Mari Energies Limited		19,760	992,302	637,802	374,260	**256,277**	**252,360**	**(3,917)**	11.35	11.38	0.03
Oil and Gas Development Company Limited	6.1.1	1,961,900	1,037,500	1,602,900	1,396,500	**342,932**	**467,646**	**124,714**	21.03	21.09	0.03
Pakistan Oilfields Limited		-	213,000	213,000	-	**-**	**-**	**-**	-	-	-
Pakistan Petroleum Limited	6.1.1	2,538,436	1,304,000	1,910,108	1,932,328	**357,660**	**468,821**	**111,161**	21.08	21.14	0.07
						956,869	**1,188,827**	**231,958**	53.46	53.61	0.13
Oil and Gas Marketting Companies											
Attock Petroleum Limited		-	44,586	-	44,586	**24,789**	**23,998**	**(791)**	1.08	1.08	0.04
Pakistan State Oil Company Limited	6.1.1	1,168,022	996,500	1,783,410	381,112	**151,709**	**130,474**	**(21,235)**	5.87	5.88	0.08
Sui Northern Gas Pipelines Limited		1,920,290	2,411,228	3,377,598	953,920	**110,821**	**115,358**	**4,537**	5.19	5.20	0.15
Sui Southern Gas Company Limited -			1,000,000	1,000,000	-	**-**	**-**	**-**	-	-	-
						287,319	**269,830**	**(17,489)**	12.14	12.16	0.27
Power Generation and Distribution											
The Hub Power Company Limited	6.1.1	314,000	5,167,510	4,020,674	1,460,836	**319,686**	**341,032**	**21,346**	15.34	15.38	0.11
K-Electric Limited*		21,429,413	13,050,000	27,479,413	7,000,000	**39,774**	**59,780**	**20,006**	2.69	2.70	0.03
						359,460	**400,812**	**41,352**	18.03	18.08	0.14
Refinery											
Attock Refinery Limited	6.1.1	305,500	757,105	719,765	342,840	**288,107**	**291,644**	**3,537**	13.12	13.15	0.32
National Refinery Limited		-	980,800	904,784	76,016	**26,547**	**27,555**	**1,008**	1.24	1.24	0.10
Pakistan Refinery Limited	6.1.1	-	3,256,586	2,000,000	1,256,586	**37,876**	**44,822**	**6,946**	2.02	2.02	0.20
						352,530	**364,021**	**11,491**	16.38	16.41	0.62
As at June 30, 2026						**1,956,178**	**2,223,490**	**267,312**			
As at June 30, 2025						1,684,470	1,905,490	221,020			

*These shares have par value of Rs. 3.5 each.

6.1.1 As at June 30, 2026, the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies:

	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	----- (Number of shares) -----		---------- (Rupees in '000) ----------	
Attock Refinery Limited	**-**	10,000	**-**	6,794
Oil and Gas Development Company Limited	**1,078,000**	1,044,000	**360,990**	230,265
Pakistan Petroleum Limited	**1,525,000**	1,385,000	**369,996**	235,685
Pakistan Refinery Limited	**550,000**	-	**19,619**	-
Pakistan State Oil Company Limited	**335,480**	557,480	**114,852**	210,465
The Hub Power Company Limited	**251,500**	-	**58,713**	-
	3,739,980	2,996,480	**924,170**	683,209

6.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 brought amendments in the ITO, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax was to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and Mutual Fund Association of Pakistan (MUFAP), filed a petition in Sindh High Court to declare the amendments brought in ITO, 2001 with reference to tax on bonus shares for CISs as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under clause 99 of Part I of the Second Schedule to the ITO, 2001. The Sindh High Court granted stay order till the final outcome of the case. However, the investee companies have withheld the share equivalent to 5% of bonus announcement of the Fund. Management is of the view that the decision will be favourable and accordingly, has recorded such bonus shares on gross basis at fair value in its investments at year end.

The Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. The CISs failed to deposit the minimum 50% of the tax liability and accordingly, the aforementioned stay got vacated automatically.

Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of the ITO, 2001 (the Ordinance) requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold 5% of the bonus shares to be issued.

The CISs have filed a fresh constitutional petition via CP4653 dated July 11, 2019. In this regard, on July 15, 2019, the High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in mean time. The matter is still pending at adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitution petition will be in favour of the CISs.These shares so witheld represent 2,389 shares of PSO having aggregate fair value of Rs. 0.818 million (June 30, 2025: Rs. 0.902 million).

Further, through the Finance Act, 2023, section 236Z was introduced into the ITO, 2001. Under this section, every company issuing bonus shares is required to withhold 10% of the bonus shares to be issued. During the year ended June 30, 2024, Mari Energies Limited ("Mari") withheld 19,760 shares, representing 10% of the bonus shares issued by Mari, in compliance with section 236Z of ITO, 2001. On September 30, 2024, the Management Company, together with other asset management companies, filed Constitutional Petition No. 4747 of 2024 before the Sindh High Court ("SHC"), challenging the applicability of the withholding tax provisions to bonus shares received by collective investment schemes ("CISs"). On the same date, the SHC granted a stay order directing Mari to retain the 10% bonus shares attributable to the Fund and not to liquidate or sell those shares for payment of tax to the income tax authorities until final determination of the matter. The petition remains pending adjudication before the SHC. Management expects a favourable outcome and, accordingly, has recognised the bonus shares on a gross basis at fair value within investments as at the reporting date.

		Note	**June 30, 2026**	June 30, 2025
			----- (Rupees in '000) -----	
6.2	**Net unrealised gain on re-measurement of investments at fair value through profit or loss' - net**			
	Market value of investments		**2,223,490**	1,905,490
	Less: Carrying value of investments		**1,956,178**	1,684,470
			267,312	221,020
7.	**DIVIDEND AND MARK-UP RECEIVABLE**			
	Dividend receivable		**763**	146
	Mark-up receivable on savings account		**334**	482
			1,097	628
8.	**ADVANCES, DEPOSITS AND PREPAYMENTS**			
	Security deposits with:			
	National Clearing Company of Pakistan Limited (NCCPL)		**2,500**	2,500
	Central Depository Company of Pakistan Limited (CDC)		**300**	300
			2,800	2,800
	Advance tax	8.1	**274**	274
	Prepaid expenses		**4**	4
			3,078	3,078

8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the ITO, 2001. Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO, 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO, 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO, 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 150 and 151 of ITO, 2001. Management is confident that the same shall be refunded after filing refund application. Refund has been filed uptil tax year 2021.

			June 30, 2026	June 30, 2025
9.	**RECEIVABLE FROM MANAGEMENT COMPANY**	**Note**	**----- (Rupees in '000) -----**	
	Receivable against expense reimbursement	9.1	**-**	1,330

9.1 As per SECP Direction No. SCD/PRDD/Direction/18/2016, Asset Management Companies (AMCs) were required to calculate the Total Expense Ratio (TER) for each CIS to ensure that the TER did not exceed the maximum limit prescribed under Regulation 60(5) of the NBFC Regulations. Where the TER exceeded the prescribed limit, the AMCs were required to adjust the Net Asset Value (NAV) of the respective CIS at the end of each quarter during the financial year by reversing the amount of expenses incurred in excess of the applicable limit. However, pursuant to the amendments made to the NBFC Regulations by the Securities and Exchange Commission of Pakistan (SECP) through Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits applicable to Collective Investment Schemes have been withdrawn with effect from July 01, 2025. Consequently, the requirement to cap the TER and make quarterly NAV adjustments for expenses exceeding the prescribed TER limit is no longer applicable from the effective date of the amendment.

During the year ended June 30, 2025, the Fund was in breach of the total expense ratio ratio of maximum 4.5% as prescribed under NBFC Regulations for a CIS categorised as equity scheme. As a result the Fund has recorded receivable from Management Company to comply with the total expense ratio.

			June 30, 2026	June 30, 2025
10.	**PAYABLE TO THE MANAGEMENT COMPANY**	**Note**	**---- (Rupees in '000) ----**	
	Management remuneration payable	10.1	**5,595**	5,851
	Sindh sales tax payable on Management remuneration	10.2	**839**	878
	Sales load payable		**71**	2,036
			6,505	8,765

10.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Equity Scheme is capped at 3% per annum, calculated on the basis of the average daily net assets, effective from July 1, 2025. During the year the Management Company has charged management fees at a rate 3% of the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

10.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

			June 30, 2026	June 30, 2025
11.	**PAYABLE TO THE TRUSTEE**	**Note**	**---- (Rupees in '000) ----**	
	Trustee fee payable	11.1	**426**	404
	Sindh sales tax payable on remuneration of Trustee	11.2	**64**	61
			490	465

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee on monthly in arrears.

-	Up to Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher
-	Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets on amount exceeding Rs. 1 billion

			June 30, 2026	June 30, 2025
12.	**PAYABLE TO SECP**	**Note**	**---- (Rupees in '000) ----**	
	SECP fee payable	12.1	**182**	163

12.1 The Fund has charged SECP fee at the rate of 0.095% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

			June 30, 2026	June 30, 2025
13.	**ACCRUED EXPENSES AND OTHER LIABILITIES**	**Note**	**---- (Rupees in '000) ----**	
	Provision for Federal excise duty (FED)	13.1	**13,920**	13,920
	Withholding tax payable		**5,816**	4,745
	Brokerage payable		**1,868**	1,171
	Auditors' remuneration		**861**	527
	Zakat payable		**36**	281
	Printing and stationery		**125**	125
	Settlement charges payable		**59**	73
	Legal and professional charges		**200**	62
	Listing fee payable		**62**	-
	Others payable		**-**	31
			22,947	20,935

13.1 The Finance Act, 2013 enlarged the scope of FED on financial services to include AMCs with effect from June 13, 2013. As the asset management services rendered by the Management Company of the Fund were already subject to provincial sales tax on services levied by the Sindh Revenue Board, which is being charged to the Fund, the Management Company was of the view that further levy of FED was not justified.

On September 04, 2013, a Constitutional Petition was filed in the Sindh High Court (SHC) jointly by various asset management companies, together with their representative CISs through their trustees, challenging the levy of FED.

On July 16, 2016, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

However, since the appeal filed by the tax authorities is pending in the Supreme Court of Pakistan, the Management Company, being prudent, has retained a provision for FED on remuneration of Management Company, aggregating to Rs. 13.92 million (June 30, 2025: Rs.13.92 million). Had the provision not been made, the net asset value per unit of the Fund as at June 30, 2026 would have been higher by Re. 0.218 per unit (June 30, 2025: Re. 0.204 per unit).

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 and June 30, 2025.

		June 30, 2026	June 30, 2025
15.	**NUMBER OF UNITS IN ISSUE**	**---- (Number of units) ----**	
	Movement during the year		
	Total units in issue at the beginning	**68,259,847**	33,372,321
	Add: Units issued	**214,227,692**	190,124,221
	Less: Units redeemed	**218,687,337**	155,236,695
	Total units in issue at the end	**63,800,202**	68,259,847

		June 30, 2026	June 30, 2025
16.	**AUDITORS' REMUNERATION**	**---- (Number of units) ----**	
	Annual audit fee	**737**	523
	Fee for half yearly review	**251**	178
	Other certifications and out of pocket expenses	**105**	75
		1,093	776
	Sindh sales tax	**87**	62
		1,180	838

17. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

Since the management distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

18. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period from July 1, 2025 to June 30, 2026 is 4.53% (2025: 5.04%), which includes 0.57% (2025: 0.73%) representing government levy, SECP fee, and other related charges. However, pursuant to the amendments in the NBFC Regulations, by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

19. TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons of the Fund include HBL Asset Management Limited (being the Management Company) and its related entities, the Central Depository Company of Pakistan Limited (being the Trustee of the Fund), other collective investment schemes and pension schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or trust beneficially owning (directly or indirectly) 10% or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members, key management personnel and officers of the Management Company.

The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration of the Management Company and the Trustee is determined in accordance with the provisions of the Non Banking Finance Companies and Notified Entities Regulations, 2008 and the Trust Deed respectively.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

The details of transactions carried out by the Fund with connected persons / related parties and balances with them at the year end are as follows:

		June 30, 2026	June 30, 2025
19.1	**Details of transactions with related parties / connected persons during the year:**	**---- (Rupees in '000) ----**	
	HBL Asset Management Limited - Management Company		
	Remuneration of the Management Company	**72,962**	49,755
	Sindh sales tax on remuneration of the Management Company	**10,944**	7,463
	Allocated Expense	**-**	449
	Sindh sales tax on allocated expenses	**-**	67
	Expense reinbursement from Management Company	**-**	1,330
	Issue of 5,063,732 units (2025: 39,333 units)	**173,000**	1,239

	June 30, 2026	June 30, 2025
	---- (Rupees in '000) ----	
Redemption of 5,478,411 units (2025: 738,495 units)	**179,386**	20,000
Amount received from Management Company against issuance to unitholders*	**-**	1,783
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee	**3,432**	2,558
Sindh sales tax on remuneration of the trustee	**515**	384
CDS charges	**598**	245
Habib Bank Limited - Sponsor		
Bank charges	**259**	277
Mark-up on bank deposits	**2,575**	1,581
Issue of 241 units (2025: Nil units)	**9**	-
Directors and Executives of the Management Company		
Issue of 11,166,794 units (2025: 6,708,763 units)	**351,705**	184,380
Redemption of 10,920,818 units (2025: 6,195,249 units)	**344,204**	165,124
Dividend paid	**131**	-
Balance outstanding as at the year end		
HBL Asset Management Limited - Management Company		
Management remuneration payable	**5,595**	5,851
Sindh sales tax payable on Management remuneration	**839**	878
Sales load payable	**71**	2,036
Units held: 2,102,698 units (June 30, 2025: 2,517,377 units)	**73,091**	67,369
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**426**	404
Sindh sales tax payable on Trustee Remuneration	**64**	61
Security deposit	**300**	300
CDS charges payable	**-**	31
Habib Bank Limited - Sponsor		
Bank balances	**18,630**	1,608
Units held: 17,240 (June 30, 2025: 16,999)	**599**	455
Directors and Executives of the Management Company		
Units held: 2,471,163 units (June 30, 2025: 2,225,187 units)	**85,899**	59,550

This represents amount reimbursed by the Management Company in relation to reversal of excess amount charged against reimbursement of selling and marketing expenses and allocated expenses as per the direction of SECP.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	Quoted prices in active markets for identical assets or liabilities	Listed equity securities are valued at the rates quoted on PSX.
Level 2:	Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV).
Level 3:	Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)	The Fund applies discretion on the effective yield as per the allowable limits. The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/50 bps. For unrated securities the allowable limits +50 bps.

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

Particulars	June 30, 2026						
	Carrying amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	**2,223,490**	**-**	**2,223,490**	**2,223,490**	**-**	**-**	**2,223,490**
Financial assets not measured at fair value							
Bank balances	**-**	**63,881**	**63,881**				
Dividend and mark-up receivable	**-**	**1,097**	**1,097**				
Deposits	**-**	**2,800**	**2,800**				
	-	**67,778**	**67,778**				
Financial liabilities not measured at fair value							
Payable to the Management Company	**-**	**5,666**	**5,666**				
Payable to the Trustee	**-**	**426**	**426**				
Unclaimed dividend	**-**	**5,382**	**5,382**				
Dividend payable	**-**	**988**	**988**				
Payable against purchase of investments	**-**	**37,321**	**37,321**				
Accrued expenses and other liabilities	**-**	**2,868**	**2,868**				
	-	**52,651**	**52,651**				

During the year ended June 30, 2026, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

Particulars	June 30, 2025						
	Carrying amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	1,905,490	-	1,905,490	1,905,490	-	-	1,905,490
Financial assets not measured at fair value							
Bank balances	-	114,996	114,996				
Dividend and mark-up receivable	-	628	628				
Receivable from Management Company	-	1,330	1,330				
Deposits	-	2,800	2,800				
	-	119,754	119,754				

Particulars	June 30, 2025						
	Carrying amount			Fair Value			
	At fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial liabilities not measured at fair value							
Payable to the Management Company	-	7,887	7,887				
Payable to the Trustee	-	404	404				
Unclaimed dividend	-	5,382	5,382				
Dividend payable	-	5,203	5,203				
Payable against redemption of units	-	157,865	157,865				
Accrued expenses and other liabilities	-	1,797	1,797				
	-	178,538	178,538				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

21. FINANCIAL RISK MANAGEMENT

The Board of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The fund primarily invests in a portfolio of equity securities. These Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

21.1 Market risk

Market risk is a risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the SECP.

Market risk comprises of three types of risk; currency risk, interest rate risk and price risk.

21.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pakistan rupees.

21.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

		June 30, 2026	June 30, 2025
Variable rate instrument (financial asset)	**Note**	**---- (Rupees in 000) ----**	
Bank balances	**5**	**63,881**	114,996

a) Sensitivity analysis for variable rate instruments

The Fund is exposed to cash flow interest rate risk for bank balances, the interest rates on which range between 9.5% to 12.1% (June 30, 2025: 8% to 12%) per annum.

The Fund's interest rate risk arises from the bank balances. In case of 100 basis points (decrease) / increase in interest rates on June 30, 2026 with all other variables held constant, the net assets for the year would have been higher / lower by Rs. 0.64 million (June 30, 2025: Rs. 1.14 million).

b) Sensitivity analysis for fixed rate instruments

Since the Fund currently does not have any fixed rate instruments that are impacted by market interest rates, therefore, it is not exposed to fair value interest rate risk.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

Particulars	June 30, 2026					
	Effective yield interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----(%)----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	9.5 - 12.1	**63,870**	**-**	**-**	**11**	**63,881**
Listed equity securities		**-**	**-**	**-**	**2,223,490**	**2,223,490**
Dividend and mark-up receivable -			**-**	**-**	**1,097**	**1,097**
Advances, deposits and prepayments		**-**	**-**	**-**	**2,800**	**2,800**
		63,870	**-**	**-**	**2,227,398**	**2,291,268**
Financial liabilities						
Payable to the Management Company		**-**	**-**	**-**	**5,666**	**5,666**
Payable to the Trustee		**-**	**-**	**-**	**426**	**426**
Unclaimed dividend		**-**	**-**	**-**	**5,382**	**5,382**
Dividend payable		**-**	**-**	**-**	**988**	**988**
Payable against purchase of investments		**-**	**-**	**-**	**37,321**	**37,321**
Accrued expenses and other liabilities liabilities		**-**	**-**	**-**	**2,868**	**2,868**
		-	**-**	**-**	**52,651**	**52,651**

Particulars	June 30, 2025					
	Effective yield interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----(%)----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	8.0 - 12.0	114,985	-	-	11	114,996
Listed equity securities		-	-	-	1,905,490	1,905,490
Dividend and mark-up receivable -			-	-	628	628
Advances, deposits and prepayments		-	-	-	2,800	2,800
		114,985	-	-	1,908,929	2,023,914

Particulars	June 30, 2025					
	Effective yield interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	----(%)----	---------- (Rupees in '000) ----------				
Financial liabilities						
Payable to the Management Company		-	-	-	7,887	7,887
Payable to the Trustee		-	-	-	404	404
Unclaimed dividend		-	-	-	5,382	5,382
Dividend payable		-	-	-	5,203	5,203
Payable against redemption of units		-	-	-	157,865	157,865
Accrued expenses and other liabilities		-	-	-	1,797	1,797
		-	-	-	178,538	178,538

21.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified on the Statement of Financial Position at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within eligible stocks. The Fund's constitutive document / NBFC Regulations, also limit the individual investment in equity securities upto 20% of net assets of the Fund, or issued capital of the investee company.

In case of 5% increase / decrease in price of all shares held by Fund at the year end, net profit for the year would decrease / increase by Rs. 111.17 million (June 30, 2025: Rs. 95.27 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

21.2 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on bank balances. The credit risk on the fund is limited because the counterparties are banks with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major counter parties. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

		June 30, 2026		June 30, 2025	
		Balance as per statement of assets and liabilities	**Maximum exposure to credit risk**	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	Note	---------- **(Rupees in '000)** ----------			
Bank Balances	5	**63,870**	**63,870**	114,985	114,985
Investments in Listed securities	6	**2,223,490**	**-**	1,905,490	-
Dividend and mark-up receivable	7	**1,097**	**1,097**	628	628
Advances, deposits and prepayments	8	**2,800**	**2,800**	2,800	2,800
		2,291,257	**67,767**	2,023,903	118,413

21.2.1 Management of credit risk

For banks and financial institutions, the Fund keeps deposits with reputed institutions. Credit risk on account of dividend receivable is minimal due to the statutory protections. All transactions in listed securities are settled / paid for upon delivery using the system of NCCPL. The risk of default in these transactions is considered minimal due to inherent systematic measures taken therein. The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and the regulations and the guidelines given by the SECP from time to time.

The analysis below summarises the credit quality of the funds' bank balances as at June 30, 2026 and June 30, 2025.

Name of the bank	**June 30, 2026**	**Latest available published rating as at June 30, 2026**	**Rating agency**
	(Rupees in '000)		
Current account			
MCB Bank Limited	**10**	**AAA**	**PACRA**
Habib Metropolitan Bank Limited	**1**	**AAA**	**PACRA**
Savings accounts			
JS Bank Limited	**696**	**AA**	**PACRA**
MCB Bank Limited	**9,307**	**AAA**	**PACRA**
Soneri Bank Limited	**35,072**	**AA**	**PACRA**
Habib Bank Limited	**18,630**	**AAA**	**VIS**
Zarai Taraqiati Bank Limited	**27**	**AAA**	**VIS**
Khushali Microfinance Bank Limited	**38**	**A-**	**VIS**
U Microfinance Bank Limited	**9**	**A+**	**VIS**
Allied Bank Limited	**3**	**AAA**	**PACRA**
Habib Metropolitan Bank Limited	**10**	**AAA**	**PACRA**
Mobilink Microfinance Bank Limited	**15**	**A**	**PACRA**
HBL Microfinance Bank Limited	**49**	**A+**	**VIS**
National Bank of Pakistan	**14**	**AAA**	**VIS**
	63,881		

Name of the bank	June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	(Rupees in '000)		
Current account			
MCB Bank Limited	10	AAA	PACRA
Habib Metropolitan Bank Limited	1	AA+	PACRA
Savings accounts			
JS Bank Limited	588	AA	PACRA
MCB Bank Limited	8,422	AAA	PACRA
Soneri Bank Limited	104,229	AA-	PACRA
Habib Bank Limited	1,608	AAA	VIS
Zarai Taraqiati Bank Limited	22	AAA	VIS
Khushali Microfinance Bank Limited	32	A-	VIS

Name of the bank	June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	(Rupees in '000)		
U Microfinance Bank Limited	9	A+	PACRA
Allied Bank Limited	3	AAA	PACRA
Habib Metropolitan Bank Limited	10	AA+	PACRA
Mobilink Microfinance Bank Limited	12	A	VIS
HBL Microfinance Bank Limited	38	A+	PACRA
National Bank of Pakistan	12	AAA	PACRA
	114,996		

The maximum exposure to credit risk before considering any collateral as at June 30, 2026 and June 30, 2025 is the carrying amount of the financial assets other than investments in equity securities.

21.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

	June 30, 2026	June 30, 2025
Rating by rating category	--------- (%) ---------	
AAA	**43.84**	8.76
AA+	**-**	0.01
AA	**55.99**	0.51
AA-	**-**	90.64
A+	**0.09**	0.04
A	**0.02**	0.01
A-	**0.06**	0.03

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect group of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the Government.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

21.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. However, no such instances were witnessed by the Fund during the current year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

		June 30, 2026						
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
	Note	---------- (Rupees in '000) ----------						
Financial assets								
Bank balances	5	**63,881**	**-**	**-**	**-**	**-**	**-**	**63,881**
Investments	6	**-**	**-**	**-**	**-**	**-**	**2,223,490**	**2,223,490**
Dividend and mark-up receivable	7	**1,097**	**-**	**-**	**-**	**-**	**-**	**1,097**
Advances, deposits and prepayments	8	**2,800**	**-**	**-**	**-**	**-**	**-**	**2,800**
		67,778	**-**	**-**	**-**	**-**	**2,223,490**	**2,291,268**
Financial liabilities								
Payable to the Management Company	10	**5,666**	**-**	**-**	**-**	**-**	**-**	**5,666**
Payable to the Trustee	11	**426**	**-**	**-**	**-**	**-**	**-**	**426**
Unclaimed dividend		**5,382**	**-**	**-**	**-**	**-**	**-**	**5,382**
Dividend payable		**988**	**-**	**-**	**-**	**-**	**-**	**988**
Payable against purchase of investments		**37,321**	**-**	**-**	**-**	**-**	**-**	**37,321**
Payable against redemption of units		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accrued expenses and other liabilities	13	**2,868**	**-**	**-**	**-**	**-**	**-**	**2,868**
		52,651	**-**	**-**	**-**	**-**	**-**	**52,651**
On-balance sheet gap		**15,127**	**-**	**-**	**-**	**-**	**2,223,490**	
Total liquidity risk sensitivity gap		**15,127**	**-**	**-**	**-**	**-**	**2,223,490**	
Cumulative liquidity risk sensitivity gap		**15,127**	**15,127**	**15,127**	**15,127**	**15,127**	**2,238,617**	

		June 30, 2025						
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
	Note	---------- (Rupees in '000) ----------						
Financial assets								
Bank balances	5	114,996	-	-	-	-	-	114,996
Investments	6	-	-	-	-	-	1,905,490	1,905,490
Dividend and mark-up receivable	7	628	-	-	-	-	-	628
Advances, deposits and prepayments	8	2,800	-	-	-	-	-	2,800
		118,424	-	-	-	-	1,905,490	2,023,914

	Note	June 30, 2025						
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Financial instruments with no fixed maturity	Total
		---------- (Rupees in '000) ----------						
Financial liabilities								
Payable to the Management Company	10	7,887	-	-	-	-	-	7,887
Payable to the Trustee	11	404	-	-	-	-	-	404
Unclaimed dividend		5,382	-	-	-	-	-	5,382
Dividend payable		5,203	-	-	-	-	-	5,203
Payable against redemption of units		157,865	-	-	-	-	-	157,865
Accrued expenses and other liabilities	13	1,797	-	-	-	-	-	1,797
		178,538	-	-	-	-	-	178,538
On-balance sheet gap		(60,114)	-	-	-	-	1,905,490	
Total liquidity risk sensitivity gap		(60,114)	-	-	-	-	1,905,490	
Cumulative liquidity risk sensitivity gap		(60,114)	(60,114)	(60,114)	(60,114)	(60,114)	1,845,376	

22. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in the unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

23. LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Top ten brokers during the year ended June 30, 2026

1. DJM Securities Limited
2. Arif Habib Limited
3. Intermarket Securities Limited
4. JS Global Capital Limited
5. Ktrade Securities Limited
6. Optimus Capital Management (Private) Limited
7. Sherman Securities (Private) Limited
8. Topline Securities Limited
9. BMA Capital Management Limited
10. Alpha Capital (Private) Limited

Top ten brokers during the year ended June 30, 2025

1. Intermarket Securities Limited
2. Sherman Securities (Private) Limited
3. Arif Habib Limited
4. DJM Securities Limited
5. JS Global Capital Limited
6. Topline Securities Limited
7. Fortune Securities Limited
8. Chase Securities Pakistan (Private) Limited
9. Ktrade Securities Limited
10. AKD Securities Limited

24. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the investment committee of the Fund as on June 30, 2026 are as follows:

S.No.	Name	Designation	Qualification	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
2.	Mr. Amin Mohammad	Chief Risk Officer	MBA	34
3.	Mr. Sunny Kumar	Head of Equities	B.Com	8
4.	Mr. Wasim Akram	Senior Fund Manager	MBA	23

25. PATTERN OF UNIT HOLDING

Pattern of unit holding as at June 30, 2026 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000)	---------- (%) ----------
Individuals	5,638	51,192,728	1,779,489	80.23
Associated Company	1	17,240	599	0.03
Insurance Companies	2	4,287	149	0.01
Banks and DFIs	2	1,404	49	-
Retirement Funds	11	3,292,765	114,458	5.16
Other Corporates	29	7,118,748	247,452	11.16
NBFCs	3	39,886	1,386	0.06
Trusts	3	8,030	279	0.01
Asset Management Company	1	2,102,698	73,091	3.30
Foreign Investors	6	22,416	779	0.04
	5,696	63,800,202	2,217,731	100

Pattern of unit holding as at June 30, 2025 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000)	---------- (%) ----------
Individuals	5,132	55,939,340	1,497,027	81.95
Associated Company	1	16,999	455	0.02
Insurance Companies	2	4,247	115	0.01
Banks and DFIs	2	6,479,263	173,395	9.49
Retirement Funds	10	419,045	11,214	0.61
Other Corporates	29	2,836,051	75,897	4.15
NBFCs	3	39,500	1,057	0.06
Trusts	3	8,025	215	0.01
Asset Management Company	1	2,517,377	67,369	3.70
	5,183	68,259,847	1,826,744	100

26. ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS

Nine meetings of the Board were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings		Leaves granted	Meetings not attended
		Held	Attended		
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 4, 2026
3	Mr. Khalid Malik	9	9	-	-
4	Mr. Tariq Masaud	9	8	1	October 30, 2025
5	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 & March 04, 2026
6	Mr. Mir Adil Rashid	9	9	-	-
7	Ms. Sheeza Ahmed	9	9	-	-
8	Mr. Irfan Ahmed Meer ***	3	2	1	April 29, 2026
9	Dr. Sahar Awan ***	3	3	-	-
10	Mr. Rayomond H. Kotwal **	6	5	1	December 22, 2025
11	Mr. Habib Yousuf Habib *	3	3	-	-

* Resigned on November 27, 2025.

** Resigned on April 06, 2026.

*** Appointed on April 08, 2026.

27. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

28. GENERAL

Figures have been rounded off to the nearest thousand Rupees unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Multi Asset Fund

FUND INFORMATION

NAME OF FUND	HBL Multi Asset Fund
NAME OF AUDITOR	Yousuf Adil & Co., Chartered Accountants
NAME OF TRUSTEE	Central Depository Comapny of Pakistan Limited (CDC)
BANKERS	Habib Bank Limited Allied Bank Limited JS Bank Limited MCB Bank Limited Zarai Taraqiati Bank Limited Sindh Bank Limited Soneri Bank Limited National Bank of Pakistan Dubai Islamic Bank Limited Habib Metropoliton Bank Limited

FUND MANAGER'S REPORT - HBL MULTI ASSET FUND

As at June 30, 2026

Type and Category of Fund

Open end Balanced Fund

Investment Objective and Accomplishment of Objective

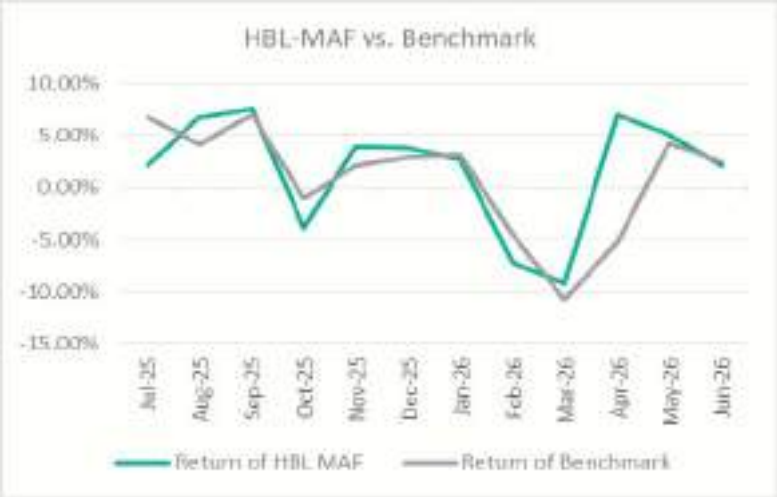
The objective of the Fund is to provide long-term capital growth and income by investing in multiple asset classes such as equity, equity-related instruments, fixed-income securities, continuous funding system, derivatives, money market instruments, etc.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is 60% of benchmark for Equity CIS + 40% of benchmark for income CIS.

The comparison of the fund return with benchmark is given below:

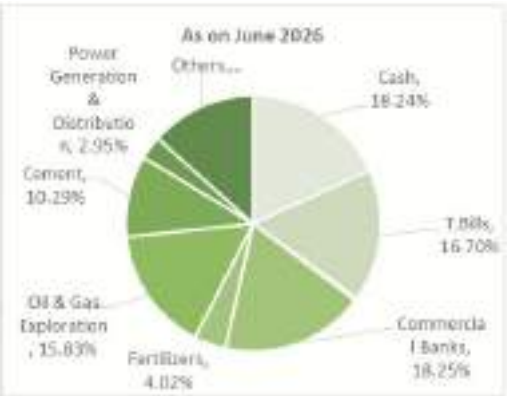
Month	Return of Fund	Benchmark
Jun-26	2.18%	2.47%
May-26	5.13%	4.27%
Apr-26	6.99%	-5.26%
Mar-26	-9.20%	-10.73%
Feb-26	-7.27%	-4.50%
Jan-26	2.73%	3.10%
Dec-25	3.84%	2.91%
Nov-25	3.99%	2.14%
Oct-25	-3.87%	-1.07%
Sept-25	7.57%	6.96%
Aug-25	6.77%	4.19%
Jul-25	2.19%	6.74%

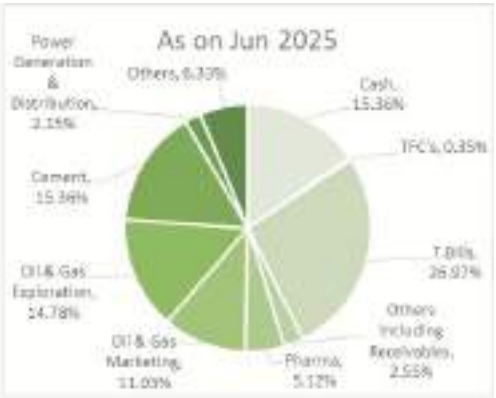


Strategies and Policies employed during the Year

During the year under review, the Fund has increased its exposure in equity securities from 54.77% in June 30, 2025 to 64.76% in June 30, 2026. Furthermore, sector wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in Commercial Banks and Fertilizers was increased, while exposure in Cements, Oil and Gas Marketing and Pharma was decreased. The Fund decreased its exposure in T-Bills during the year.

Asset Allocation





Significant Changes in Asset Allocation during the Year

Following table shows comparison of sector wise allocation of equity investments of Fund as on June 30, 2026 and June 30, 2025.

Sector Name	As on Jun 2026	As on Jun 2025
Cash	18.24%	15.36%
TFC's	0.00%	0.35%
T.Bills	16.70%	26.97%
Others Including Receivables	0.30%	2.55%
Pharma	0.00%	5.12%
Commercial Banks	18.25%	0.00%
Fertilizers	4.02%	0.00%
Oil & Gas Marketing	0.00%	11.03%
Oil & Gas Exploration	15.83%	14.78%
Cement	10.29%	15.36%
Power Generation & Distribution	2.95%	2.15%
Others	13.42%	6.33%
Total	**100.00%**	**100.00%**

Fund Performance

The total and net income of the Fund was Rs. 36.82 million and Rs. 29.87 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs 217.6533 per unit as on June 30, 2026 (after incorporating dividend of Rs. 7.25 per unit) as compared to Rs 185.6750 per unit as on June 30, 2025, thereby giving a return of 21.11%. During the same period the benchmark index (60% of benchmark for Equity CIS and 40% of benchmark for income CIS) yielded a return of 29.11%. The size of Fund was Rs 0.17 billion as on June 30, 2026 as compared to Rs. 0.15 billion at the start of the year.

Review of Market invested in

Money Market Review
During the period under review, the State Bank of Pakistan maintained the policy rate at 11.0%. The first change came on 15th December 2025, when the SBP cut the rate by 50 bps to 10.5%, followed by a second change in April 2026, when it raised the rate by 100 bps to 11.5%, which was maintained through the end of the period.

Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

In the last auction of Ijarah Sukuk held on June 17th 2026, the rental rate for the 5-year fixed instrument settled at 12.09%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Stock Market Review

During FY2026, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KSE All-Share Index rising to 911 million shares (up 44% from 633 million shares in the same period last year). Average daily traded value surged 51% to PKR 42.5 billion, up from PKR 28.15 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution

The Board of Directors approved dividend up to Rs. 7.25 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	247	4,059
101 - 500	108	27,813
501 - 1,000	35	24,373
1,001 - 10,000	60	227,786
10,001 - 100,000	13	281,396
100,001 - 500,000	1	197,978
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**464**	**763,405**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL MULTI ASSET FUND

As at June 30, 2026

	2026	2025	2024	2023	2022	2021
Net assets at the period end (Rs'000)	166,158	154,073	124,779	103,664	104,221	202,437
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES						
Redemption	217.6533	185.6750	138.4640	92.3983	92.9902	112.7464
Offer	222.6593	189.9455	141.5933	94.4865	95.0918	115.2945
OFFER / REDEMPTION DURING THE PERIOD - RUPEES						
Highest offer price per unit	297.8906	200.3071	154.6622	100.2886	119.3773	119.3354
Lowest offer price per unit	189.8674	139.0751	97.9643	90.2869	94.6849	97.2483
Highest redemption price per unit	291.1932	195.8036	151.2441	98.0722	116.739	116.698
Lowest redemption price per unit	185.5986	135.9483	95.7992	88.2915	92.5923	95.0991
RETURN (%)						
Total return	21.11%	40.59%	62.74%	4.05%	-17.52%	21.99%
Income distribution	3.90%	6.50%	12.88%	4.35%	0.00%	2.05%
Capital growth	17.21%	34.09%	49.86%	-0.30%	-17.52%	19.94%
DISTRIBUTION						
Final dividend distributation (Rs)	9	9	11.9	4.35	0	2.05
Interim dividend distributation (Rs)	7.25					
Date of Income Distribution	24-Jun-26	27-Jun-25	29-Jun-24	27-Jun-23	-	18-Jun-21
Total dividend distribution for the year/ period (Rs)	7.25	9.00	11.90	4.35	-	2.05
AVERAGE RETURNS (%)						
Average annual return 1 year	21.11%	40.59%	62.74%	4.05%	-17.52%	21.99%
Average annual return 2 year	30.49%	51.26%	30.13%	-7.36%	0.31%	11.62%
Average annual return 3 year	40.46%	33.53%	11.78%	1.54%	0.92%	4.30%
PORTFOLIO COMPOSITION - (%)						
Percentage of Total Assets as at 30 June:						
Bank Balances	18.24%	11.79%	5.97%	24.25%	26.38%	24.95%
Placements with Banks & DFIs	0.00%	0.00%	0.00%	0.00%		0.00%
TFC / Sukuk	16.70%	0.51%	14.18%	6.75%	3.19%	8.05%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	4.41%	2.01%
Stock/Equities	64.76%	54.87%	64.93%	63.37%	62.96%	63.49%
Government Securities	0.00%	26.67%	9.70%	0.00%	0.00%	0.00%
Others Including receivables	0.30%	6.15%	5.22%	5.63%	3.06%	1.50%

Note:

The Launch date of the Fund is December 17, 2007

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MULTI ASSET FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Multi Asset Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badaruddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Multi Asset Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Multi Asset Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the Fund as at June 30, 2026, amounted to Rs. 144.726 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained independent confirmations from the Central Depository Company of Pakistan Limited for verifying the existence of the listed equity investments portfolio as at June 30, 2026; • obtained the Investors' Portfolio Securities Account Statements for verifying the existence of the government securities as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Hena Sadiq**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2026
UDIN: AR202610057MPJVIzucW

HBL MULTI ASSET FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
ASSETS		------- (Rupees in '000) -------	
Bank balances	5	**56,326**	22,595
Investments	6	**144,726**	159,671
Profit / markup receivable	7	**330**	157
Receivable against sale of investment		**-**	8,543
Advances, deposits and other receivables	8	**2,975**	3,675
Total assets		**204,357**	194,641
LIABILITIES			
Payable to the Management Company	9	**313**	445
Payable to the Trustee	10	**30**	35
Payable to SECP	11	**11**	13
Payable against redemption of units		**-**	31,060
Payable against purchase of investments		**29,180**	-
Dividend payable		**87**	262
Accrued expenses and other liabilities	12	**8,578**	8,753
Total liabilities		**38,199**	40,568
NET ASSETS		**166,158**	154,073
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		**166,158**	154,073
CONTINGENCIES AND COMMITMENTS	13		
		------ (Number of units) ------	
NUMBER OF UNITS IN ISSUE	14	**763,405**	829,800
		------- (Rupees) -------	
NET ASSETS VALUE PER UNIT	4.8	**217.6533**	185.6750

The annexed notes 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive **Director**

HBL MULTI ASSET FUND
Income Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
INCOME		------- (Rupees in '000) -------	
Profit / return on investments		**2,271**	6,112
Profit on bank deposits		**3,879**	1,900
Dividend income		**4,829**	6,268
Realised gain on sale of investments		**18,125**	26,899
Unrealised gain on re-measurement of investments at fair value through profit or loss	6.6	**7,718**	20,564
		36,822	61,743
EXPENSES			
Remuneration of the Management Company	9.1	**3,631**	3,977
Sindh sales tax on remuneration of the Management Company	9.2	**545**	597
Remuneration of the Trustee	10.1	**323**	318
Sindh sales tax on remuneration of the Trustee	10.2	**48**	48
SECP fee	11.1	**137**	135
Auditors' remuneration	15	**931**	786
Fees and subscription		**31**	32
Securities transaction costs		**851**	773
Settlement and bank charges		**408**	447
Tax professional charges		**46**	250
Printing charges		**-**	126
		6,951	7,489
Net income for the year before taxation		**29,871**	54,254
Taxation	16	**-**	-
Net income for the year after taxation		**29,871**	54,254
Allocation of income for the year			
Net income for the year after taxation		**29,871**	54,254
Income already paid on redemption of units		**(18,925)**	(18,043)
		10,946	36,211
Accounting income available for distribution:			
- Relating to capital gain		**9,470**	31,678
- Excluding capital gain		**1,476**	4,533
		10,946	36,211

The annexed notes 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Executive **Director**

HBL MULTI ASSET FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Net income for the year after taxation	**29,871**	54,254
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year	**29,871**	54,254

The annexed notes 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL MULTI ASSERT FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	June 30, 2026			June 30, 2025		
	Capital Value	Undistributed Income	Total	Capital Value	Accumulated (loss) / undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the year	**142,132**	**11,941**	**154,073**	142,223	(17,444)	124,779
Issuance of units: 776,339 (2025: 1,108,727 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**144,147**	**-**	**144,147**	153,519	-	153,519
- Element of Income	**23,326**	**-**	**23,326**	44,935	-	44,935
	167,473	**-**	**167,473**	198,454	-	198,454
Redemption of units: 842,734 (2025: 1,180,095 units)						
- Capital value (at net asset value per unit at the beginning of the year)	**(156,475)**	**-**	**(156,475)**	(163,401)	-	(163,401)
- Income already paid during the year	**-**	**(18,925)**	**(18,925)**	-	(18,043)	(18,043)
- Element of (loss)	**(5,864)**	**-**	**(5,864)**	(34,782)	-	(34,782)
	(162,339)	**(18,925)**	**(181,264)**	(198,183)	(18,043)	(216,226)
Total comprehensive income for the year	**-**	**29,871**	**29,871**	-	54,254	54,254
Final distribution for the year ended June 30, 2026: Rs. 7.25 per unit (2025: Rs. 9 per unit) declared on June 24, 2026	**-**	**(2,978)**	**(2,978)**	-	(6,826)	(6,826)
Refund of Capital	**(1,017)**	**-**	**(1,017)**	(362)	-	(362)
Total distribution	**(1,017)**	**26,893**	**25,876**	(362)	47,428	47,066
Net assets at end of the year	**146,249**	**19,909**	**166,158**	142,132	11,941	154,073
Undistributed income / accumulated (loss) brought forward						
- Realised		**(8,623)**			(37,622)	
- Unrealised		**20,564**			20,178	
		11,941			(17,444)	
Accounting income available for distribution						
- Relating to capital gains		**9,470**			31,678	
- Excluding capital gains		**1,476**			4,533	
		10,946			36,211	
Distributions during the year		**(2,978)**			(6,826)	
Undistributed income carried forward		**19,909**			11,941	
Undistributed income carried forward						
- Realised		**12,191**			(8,623)	
- Unrealised		**7,718**			20,564	
		19,909			11,941	
		(Rupees)			(Rupees)	
Net assets value per unit at beginning of the year		**185.6750**			138.4640	
Net assets value per unit at end of the year		**217.6533**			185.6750	

The annexed notes 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL MULTI ASSET FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
Cash flow from operating activities		-------- (Rupees in '000) --------	
Net income for the year after taxation		**29,871**	54,254
Adjustments for non-cash and other items:			
Mark-up / return on investments		**(2,271)**	(6,112)
Mark-up on bank deposits		**(3,879)**	(1,900)
Dividend income		**(4,829)**	(6,268)
Realised gain on sale of investments		**(18,125)**	(26,899)
Unrealised gain on re-measurement of investments at fair value through profit or loss	6.6	**(7,718)**	(20,564)
		(6,951)	(7,489)
Decrease in assets			
Investments		**83,555**	10,753
Advances, deposits and other receivables		**700**	746
		84,255	11,499
(Decrease) / increase in liabilities			
Payable to the Management Company		**(132)**	144
Payable to the Trustee		**(5)**	12
Payable to the SECP		**(2)**	4
Accrued expenses and other liabilities		**(175)**	114
		(314)	274
Net cash genereted from operating activities		**76,990**	4,284
Cashflow from investing activities			
Markup received on bank deposits		**3,551**	2,007
Markup received on investments		**2,271**	7,228
Dividend income received		**4,984**	6,283
Net cash generated from investing activities		**10,806**	15,518
		87,796	19,802
Cash flow from financing activities			
Proceeds from issuance of units		**166,456**	198,092
Payment on redemption of units		**(212,324)**	(185,166)
Dividend paid		**(3,153)**	(6,567)
Net cash (used in) / generated from financing activities		**(49,021)**	6,359
Net increase in cash and cash equivalents		**38,775**	26,161
Cash and cash equivalents at beginning of the year		**47,213**	21,052
Cash and cash equivalents at end of the year	18	**85,988**	47,213

The annexed notes 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Multi Asset Fund (the Fund) was established under a Trust Deed, dated October 08, 2007, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was authorised by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on September 28, 2007.

1.2 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed had been registered under the Sindh Trust Act.

1.3 HBL Asset Management Limited is Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.5 The Fund has been categorised as a balanced fund as per the criteria laid down by SECP for categorisation of open-end Collective Investment Scheme (CISs). The Management Company has also planned to change its category from 'balanced fund' to 'asset allocation fund' for which the Management Company intends to seek SECP approval. Once executed, the Management Company would launch different plans in the Fund to ensure continuous compliance of fund size requirements.

1.6 The investment objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

1.7 VIS Credit Rating Company has reaffirmed a management quality rating to 'AM1' (Stable outlook) of the Management Company on December 31, 2025.

1.8 Title to the assets of the Fund are held in the name of CDC as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of, directives and notifications issued under the Act, along with Part VIIIA of the repealed Companies Ordinance, 1984; and
- NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Standards, the provisions of and directives issued under the Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations and requirements of the Trust Deed have been followed.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

- Classification and measurement of financial assets (notes 4.1.1.1 and 6)
- Impairment of financial assets (note 4.1.1.3)
- Provision (note 4.3)
- Taxation (notes 4.4 and 16)
- Classification and measurements of financial liabilities (note 4.1.2.1)
- Contingencies and commitments (note 13)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments which are measured at fair value.

2.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

3. APPLICATION OF NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. This amendment is not relevant to the Fund's operations.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability.

3.2 Standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except those mentioned in note 3.3.

	Effective from accounting period beginning on or after
- Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments.	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- Annual improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- IFRS 17 – 'Insurance Contracts' (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

3.3 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 20 Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Income statement.

4.1.1 Financial assets

4.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, the Fund can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income (FVOCI) when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses from changes in fair value are recognised in other comprehensive income and are accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to undistributed income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Dividends are recognised as income in the Income statement when the right of payment has been established, except when the Fund benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

The Fund elected not to classify irrevocably any of the equity investments under this category on initial recognition.

Financial assets at fair value through profit or loss (equity instruments)

Equity investments which the Fund had not irrevocably elected to classify at FVOCI are classified as at fair value through profit or loss (FVTPL). Financial assets at FVTPL are carried in the statement of assets and liabilities at fair value with net changes in fair value recognised in the the Income statement.

Dividends on equity investments are recognised as income in the Income statement when the right of payment has been established.

The Fund elected to classify all of the equity investments at fair value through profit or loss on initial recognition.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognised in the Income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in statement of comprehensive income. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to the income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

4.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of equity securities:

The fair value of equity instruments is determined by using closing rate of securities at day end available on the Pakistan Stock Exchange's (PSX's) website.

Basis of valuation of government debt securities:

The government securities not listed on PSX and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on PSX are valued at revaluation rates disseminated by PSX.

Basis of valuation of debt securities:

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by SECP. In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

The Fund applies discretion on the effective yield as per the allowable limits in the above mentioned Circulars after taking into account aspects such as Liquidity Risk, Sector Specific Risk and Issuer Class Risk.

The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/-50 bps. For unrated securities the allowable limit is +50 bps.

4.1.1.3 Impairment of financial assets

Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.1.1.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.1.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

4.1.2 Financial liabilities

4.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at FVTPL.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL (such as instruments held for trading) or the Fund has opted to measure them at FVTPL.

4.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

4.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO, 2001) subject to the condition that not less than 90% of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of Section 113 (minimum tax) and Section 113C (Alternative Corporate Tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors (the Board) of the Management Company. Based on MUFAP's guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

4.6 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the unit holders during business hours on that date. The offer price represents the net asset value per unit as of the close of the business day plus the allowable sales load and any provision for duties and charges, if applicable. The sales load is payable to investment facilitators, distributors and the Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors receive redemption applications during business hours of that day. The redemption price represents the net asset value (NAV) per unit as of the close of the business day less any back-end load, any duties, taxes, and charges on redemption, if applicable.

4.7 Element of Income

Element of income represents the difference between net assets value per unit on the issuance or redemption date, as the case may be, of units and the net assets value per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend net asset value of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holder's fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

4.8 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.9 Revenue recognition

- Gain or loss on sale of investment is accounted for in the income statement in the period in which it arises.
- Unrealised gain / loss arising on re-measurement of investments 'at fair value through profit or loss' is included in the Income statement in the period in which it arises.
- Income / profit from investments in term finance certificates / sukuks, and government securities is recognised on a time proportionate basis using EIR method.
- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

4.10 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee fee and the SECP fee are recognised in the Income statement on an accrual basis.

4.11 Earnings per unit

Earnings per unit (EPU) has not been disclosed as in the opinion of the management, determination of weighted average units for calculating EPU is not practicable.

		Note	**June 30, 2026**	June 30, 2025
			-------- (Rupees in '000) --------	
5.	**BANK BALANCES**			
	Savings accounts	5.1	**56,326**	22,595

5.1 These carry profit at the rate ranging from 9.83% to 13.15% (June 30, 2025: 9.00% to 10.50%) per annum. These include an amount held in Habib Bank Limited (a related party) amounting to Rs. 43.32 million (June 30, 2025: Rs. 5.011 million) which carries profit at rates 13.15% (June 30, 2025: 10.5%) per annum.

		Note	**June 30, 2026**	June 30, 2025
			------- (Rupees in '000) -------	
6.	**INVESTMENTS**			
	Investments at fair value through profit or loss			
	Listed equity securities	6.1	**115,064**	106,535
	Term finance certificates	6.2	**-**	672
	Market Treasury Bills	6.3	**29,662**	52,464
	Pakistan Investment Bonds - FRB	6.4	**-**	-
			144,726	159,671

6.1 Listed equity securities - at fair value through profit or loss

Name of investee companies	As at July 01, 2025	Purchased during the year	Bonus issue	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets of the fund	Par value as a percentage of the paid up capital of the investee Company
						Carrying value	Market value	Unrealised gain			
	(Number of shares)					(Rupees in '000')			(%)		
Shares of listed Companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Automobile Assembler											
Atlas Honda Limited	-	400	-	400	-	-	-	-	-	-	-
Ghandhara Automobile Limited	-	7,900	-	7,900	-	-	-	-	-	-	-
Ghandhara Industries Limited -		1,100	-	1,100	-	-	-	-	-	-	-
Millat Tractors Limited	-	1,400	-	1,400	-	-	-	-	-	-	-
						-	-	-	-	-	-
Automobile Parts and Accessories											
Panther Tyres Limited	-	8,000	-	8,000	-	-	-	-	-	-	-
Cable and Electrical Goods											
Pak Elektron Limited	-	19,000	-	19,000	-	-	-	-	-	-	-
Cement											
Attock Cement Pakistan Limited	16,950	6,500	-	23,450	-	-	-	-	-	-	-
Cherat Cement Company Limted	-	15,300	-	5,300	10,000	3,497	3,459	(38)	0.02	2.08	0.01
Dewan Cement Limited	-	113,000	-	113,000	-	-	-	-	-	-	-
D.G. Khan Cement Company Limited	21,850	7,000	-	25,050	3,800	723	848	125	0.01	0.51	-
Fauji Cement Company Limited	82,800	33,500	-	58,250	58,050	3,020	3,341	321	0.02	2.01	-
Kohat Cement Company Limited***	2,200	14,800	-	2,000	15,000	1,315	1,652	337	0.01	0.99	-
Lucky Cement Limited***	6,450	13,500	-	9,200	10,750	4,345	5,047	702	0.03	3.04	-
Maple Leaf Cement Factory Limited	132,700	29,300	-	131,000	31,000	2,818	3,314	496	0.02	1.99	-
Power Cement Limited	-	90,000	-	90,000	-	-	-	-	-	-	-
Pioneer Cement Limited	14,400	6,400	-	18,586	2,214	665	627	(38)	-	0.38	-
Thatta Cement Company Limited	-	19,000	-	19,000	-	-	-	-	-	-	-
						16,383	18,288	1,905	0.11	11.00	0.01
Chemicals											
Berger Paints Pakistan Limited	-	14,300	-	14,300	-	-	-	-	-	-	-
Biafo Industries Limited	15,700	-	-	15,700	-	-	-	-	-	-	-
Ghani Chemical Industries Limited	-	23,000	-	23,000	-	-	-	-	-	-	-
Sitara Chemical Industries Limited	2,000	-	-	2,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
Commercial Banks											
Allied Bank Limited	-	9,000	-	9,000	-	-	-	-	-	-	-
Askari Bank Limited	-	65,800	-	50,000	15,800	1,884	1,742	(142)	0.01	1.05	-
Bank Alfalah Limited	-	125,800	-	39,000	86,800	5,201	4,919	(282)	0.03	2.96	0.01
Faysal Bank Limited	750	23,000	-	14,700	9,050	800	898	98	0.01	0.54	-
Habib Bank Limited*	-	47,900	-	27,850	20,050	6,052	5,859	(193)	0.04	3.53	-
Meezan Bank Limited	-	11,700	-	3,700	8,000	3,900	4,132	232	0.03	2.49	-
National Bank of Pakistan	-	59,000	-	30,500	28,500	6,223	5,657	(566)	0.04	3.40	-
Samba Bank Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
The Bank of Punjab	-	86,000	-	16,000	70,000	2,291	2,456	165	0.02	1.48	-
United Bank Limited*****	-	37,200	-	22,100	15,100	6,945	6,760	(185)	0.05	4.07	-
						33,296	32,423	(873)	0.23	19.52	0.01
Engineering											
Aisha Steel Mills Limited	-	59,000	-	59,000	-	-	-	-	-	-	-
International Industries Limited	-	2,200	-	2,200	-	-	-	-	-	-	-
International Steels Limited -		4,000	-	4,000	-	-	-	-	-	-	-
Mughal Iron & Steel Industries Limited	2,782	31,000	-	21,500	12,282	1,050	1,076	26	0.01	0.65	-
						1,050	1,076	26	0.01	0.65	-
Fertilizer											
Arif Habib Corporation Limited**	-	45,000	-	45,000	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	12,500	-	12,500	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	15,000	-	3,000	12,000	1,777	1,984	207	0.01	1.19	-
Fauji Fertilizer Company Limited	-	21,800	-	12,820	8,980	4,528	5,150	622	0.04	3.10	-
						6,305	7,134	829	0.05	4.29	-

Name of investee companies	As at July 01, 2025	Purchased during the year	Bonus issue	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets of the fund	Par value as a percentage of the paid up capital of the investee Company
						Carrying value	Market value	Unrealised gain			
	---------- (Number of shares) ----------					---------- (Rupees in '000') ----------			---------- (%) ----------		
Food and Personal Care Products											
Shares of listed Companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
At-Tahur Limited	-	21,000	-	21,000	-	-	-	-	-	-	-
Big Bird Foods Limited	-	25,000	-	20,000	5,000	226	230	4	-	0.14	-
Ghani Dairies Limited**	-	17,000	-	-	17,000	343	339	(4)	-	0.20	-
Murree Brewery Company Limited	1,400	400	-	1,800	-	-	-	-	-	-	-
National Foods Limited*****	4,000	1,600	-	5,600	-	-	-	-	-	-	-
						569	569	-	-	0.34	-
Insurance											
Adamjee Insurance Company Limited	-	25,000	-	25,000	-	-	-	-	-	-	-
Jubilee General Insurance Limited	-	22,000	-	22,000	-	-	-	-	-	-	-
Pakistan Reinsurance Company Limited	-	135,000	-	135,000	-	-	-	-	-	-	-
TPL Insurance Limited	-	40,202	-	-	40,202	1,085	1,104	19	0.01	0.66	0.02
						1,085	1,104	19	0.01	0.66	0.02
Investment Banks / Investment Companies / Securities Companies											
Arif Habib Limited	6,000	-	-	6,000	-	-	-	-	-	-	-
Engro Holdings Limited	-	24,500	-	7,800	16,700	4,393	4,805	412	0.03	2.89	-
						4,393	4,805	412	0.03	2.89	-
Oil and Gas Exploration Companies											
Mari Energies Limited	-	4,800	-	-	4,800	3,439	3,237	(202)	0.02	1.95	-
Oil and Gas Development Company Limited	65,000	31,700	-	59,200	37,500	10,230	12,55	2,328	0.09	7.56	-
Pakistan Petroleum Limited	84,700	50,000	-	83,900	50,800	10,412	12,55	2,328	0.09	7.42	-
						24,081	28,120	4,039	0.20	16.93	-
Oil and Gas Marketing Companies											
Pakistan State Oil Company Limited	46,600	9,400	-	50,300	5,700	2,241	1,951	(290)	0.01	1.17	-
Sui Northern Gas Pipelines Limited	33,100	21,000	-	39,500	14,600	1,852	1,766	(86)	0.01	1.06	-
Sui Southern Gas Company Limited	-	40,000	-	40,000	-	-	-	-	-	-	-
						4,093	3,717	(376)	0.02	2.23	-
Paper Board and Packaging											
Security Paper Limited	8,400	-	-	8,400	-	-	-	-	-	-	-
Pharmaceuticals											
Abbott Laboratories Pakistan Limited	1,700	-	-	965	735	714	724	10	0.01	0.44	-
AGP Limited	8,798	11,400	-	14,225	5,973	1,289	1,232	(57)	0.01	0.74	-
Citi Pharma Limited	-	20,000	-	20,000	-	-	-	-	-	-	-
GlaxoSmithKline Pakistan Limited	9,250	1,000	-	8,465	1,785	700	661	(39)	-	0.40	-
Haleon Pakistan Limited	1,650	-	-	1,650	-	-	-	-	-	-	-
Highnoon Laboratories Limited	1,700	150	-	1,020	830	822	832	10	0.01	0.50	-
The Searle Company Limited	1,400	39,127	210	31,837	8,900	766	841	75	0.01	0.51	-
						4,291	4,290	(1)	0.04	2.59	-
Power Generation and Distribution											
K-Electric Limited****	483,000	195,000	-	455,500	222,500	1,330	1,900	570	0.01	1.14	-
The Hub Power Company Limited	11,900	10,800	-	8,400	14,300	2,640	3,338	698	0.02	2.01	-
						3,970	5,238	1,268	0.03	3.15	-
Property											
TPL Properties Limited	-	800,000	-	800,000	-	-	-	-	-	-	-
Refinery											
Attock Refinery Limited	-	5,700	-	3,300	2,400	1,955	2,042	87	0.01	1.23	-
National Refinery Limited	-	3,000	-	3,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	103,000	-	103,000	-	-	-	-	-	-	-
						1,955	2,042	87	0.01	1.23	-
Technology and Communications											
Hum Network Limited**	-	152,000	-	152,000	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	130,500	-	102,000	28,500	1,597	1,867	270	0.01	1.12	-
Systems Limited***	19,000	18,000	-	24,500	12,500	1,578	1,839	261	0.01	1.11	-
TPL Trakker Limited	153,475	-	-	153,475	-	-	-	-	-	-	-
						3,175	3,706	531	0.02	2.23	-
Food and Personal Care Products											

Name of investee companies	As at July 01, 2025	Purchased during the year	Bonus issue	Sold during the year	As at June 30, 2026	As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets of the fund	Par value as a percentage of the paid up capital of the investee Company
						Carrying value	Market value	Unrealised gain			
	---------- (Number of shares) ----------					---------- (Rupees in '000') ----------			---------- (%) ----------		
Shares of listed Companies - fully paid ordinary shares of Rs.10 each unless stated otherwise											
Textile Composite											
Interloop Limited	-	9,500	-	-	9,500	**864**	**1,022**	**158**	0.01	0.62	-
Nishat Mills Limited	-	9,000	-	-	9,000	**1,758**	**1,421**	**(337)**	0.01	0.86	-
						2,622	**2,443**	**(179)**	0.02	1.48	-
Tobacco											
Pakistan Tobacco Company Limited	-	1,110	-	1,100	10	**14**	**14**	**-**	-	0.01	-
Transport											
Pakistan International Bulk Terminal Limited	-	135,000	-	130,000	5,000	**71**	**95**	**24**	-	0.06	-
Miscellaneous											
Pakistan Services Limited	-	400	-	400	-	**-**	**-**	**-**	-	-	-
Shifa International Hospital Limited	1,992	1,000	-	2,992	-	**-**	**-**	**-**	-	-	-
						-	-	-	-	-	-
As at June 30, 2026						**107,353**	**115,064**	**7,711**			
As at June 30, 2025						85,998	106,535	20,537			

*These transactions relating to shares of related parties
**These have a face value of Re. 1 per share
***These have a face value of Rs. 2 per share
****These have a face value of Rs. 3.5 per share
*****These have a face value of Rs. 5 per share

6.1.1 As at June 30, 2026, the Fund has pledged shares with the National Clearing Company of Pakistan Limited (NCCPL) as collateral for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 dated October 23, 2007 issued by the SECP, of following companies :

	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	---------- (Number of Shares) ----------		---------- (Rupees in '000) ----------	
Cherat Cement Company Limited	**3,000**	-	**1,038**	-
D.G. Khan Cement Company Limited	**2,000**	-	**447**	-
Fauji Cement Company Limited	**5,000**	5,000	**223**	223
Lucky Cement Company Limited	**4,000**	-	**1,878**	-
National Bank Limited	**1,000**	-	**199**	-
Oil & Gas Development Company Limited	**27,000**	45,000	**9,041**	9,925
Pioneer Cement Limited	**-**	6,500	**-**	1,483
Pakistan Petroleum Limited	**37,000**	57,700	**8,977**	9,819
Pakistan State Oil Company Limited	**4,900**	17,280	**1,678**	6,524
Attock Cement Pakistan Limited	**-**	5,250	**-**	1,536
Maple Leaf Cement Factory Limited	**-**	56,000	**-**	4,720
	83,900	192,730	**23,481**	34,230

6.1.2 These investments include gross bonus shares as per Fund's entitlement declared by the investee companies. Finance Act, 2014 has brought amendments in the ITO, 2001 whereby the bonus shares received by the shareholder are to be treated as income and a tax at the rate of 5% is to be applied on value of bonus shares determined on the basis of day end price on the first day of closure of books. The tax is to be collected at source by the investee company which shall be considered as final discharge of tax liability on such income. However, the Management Company of the Fund jointly with other asset management companies and MUFAP, has filed a petition in Sindh High Court (SHC) to declare the amendments brought in ITO, 2001 with reference to tax on bonus shares for CISs as null and void and not applicable on the funds based on the premise of exemption given to mutual funds under Clause 99 of Part I of the Second Schedule to the ITO, 2001. The SHC has granted stay order till the final outcome of the case. However, the investee company(s) has withheld the share equivalent to 5% of bonus announcement of the Fund having aggregate fair market value of Rs. 594.31 million at June 30, 2026 (June 30, 2025: Rs. 534.271 million) and not yet deposited on CDC account of department of Income tax. The final outcome of the case is pending however, Management Company is of the view that the decision will be in the favor and accordingly has recorded the bonus shares on gross basis at fair value in its investments at year end.

During 2018, the Supreme Court of Pakistan passed a judgment on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50% of the tax calculated by the tax authorities is deposited with the authorities. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the previous year.

Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of the ITO, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold 5% of the bonus shares to be issued. Accordingly, post July 01, 2018 shares are not being withheld at the time of bonus issue.

In 2019, the CISs had have filed a fresh constitutional petition via CP4653 dated July 11, 2019. In this regard, on July 15, 2019, the SHC has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in mean time. The matter is still pending and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitution petition will be in favour of the CISs.

These bonus shares include the following shares:

	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	---------- (Number of Shares) ----------		---------- (Rupees in '000) ----------	
The Searle Company Limited	**1,400**	1,400	**132,356**	122,780
Mughal Iron and Steel Industries Limited	**2,782**	2,782	**243,731**	200,638
Pakistan State Oil Company Limited	**420**	420	**143,787**	158,563
Faysal Bank Limited	**750**	750	**74,430**	52,290
	5,352	5,352	**594,304**	534,271

Further, the Finance Act 2023 again introduced a 10% tax on value of bonus shares. However, no tax has been withheld on the bonus shares received by the Fund during this year.

6.2 Term finance certificates

Name of investee company	Number of certificates				As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets
	As at July 01, 2025	Purchased during the Year	Sold / matured during the Year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss)		
					---------- (Rupees in '000) ----------			---------- (%) ----------	
Technology & Communication									
TPL Trakker Limited	4	-	4	-	-	-	-	-	-
As at June 30, 2026					-	-	-		
As at June 30, 2025					699	672	(27)		

6.3 Market Treasury Bills

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2025	Purchased during the Year	Sold / matured during the Year	As at June 30, 2026	Carrying value	Market value	Unrealised gain		
		---------- (Rupees in '000) ----------							---------- (%) ----------	
Treasury bills - 3 months	May 29, 2025	25,000	-	25,000	-	-	-	-	-	-
Treasury bills - 3 months*	May 14, 2026	-	30,000	-	30,000	**29,655**	**29,662**	**7**	20.50	17.85
Treasury bills - 6 months	March 06, 2025	5,000	-	5,000	-	-	-	-	-	-
Treasury bills - 12 months	October 17, 2024	4,000	-	4,000	-	-	-	-	-	-
Treasury bills - 12 months	November 28, 2024	10,000	-	10,000	-	-	-	-	-	-
Treasury bills - 12 months	December 26, 2024	10,000	-	10,000	-	-	-	-	-	-
As at June 30, 2026						**29,655**	**29,662**	**7**		
As at June 30, 2025						52,410	52,464	54		

* This market treasury bill carries effective yield at the rate of 11.56% (June 30, 2025: 11.13% to 13.64%) per annum.

6.4 Pakistan Investment Bonds - FRB

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2025	Purchased during the Year	Sold / matured during the Year	As at June 30, 2026	Carrying value	Market value	Unrealised gain		
		---------- (Rupees in '000) ----------							---------- (%) ----------	
Pakistan Investment Bond - 5 years - (Fixed)	October 22, 2020	-	10,000,000	10,000,000	-	-	-	-	-	-
As at June 30, 2026						**-**	**-**	**-**		
As at June 30, 2025						-	-	-		

		June 30, 2026	June 30, 2025
6.5 ADVANCE AGAINST IPO	**Note**	**------ (Rupees in '000) ------**	
Advance against subscription of term finance certificate		**25,000**	25,000
Less: Provision in respect of advance against subscription of Term Finance Certificates	6.5.1	**(25,000)**	(25,000)
		-	-

6.5.1 The Fund had subscribed towards the term finance certificates of an issuer as Pre-IPO investor on January 09, 2008. Under the agreement, the issuer was required to complete the public offering by October 09, 2008. However, no public offering has been carried out by the issuer as at June 30, 2026. In addition, profit on the advance against subscription, due after six months from the date of subscription, was also not received by the Fund. During 2026, the advance against subscription was fully provided in accordance with the provisioning policy of the Fund as approved by the Board of the Management Company.

		June 30, 2026	June 30, 2025
6.6 Unrealised gain on remeasurement of investments at fair value through profit or loss - net	**Note**	**------ (Rupees in '000) ------**	
Market value of investments	6.1, 6.2, 6.3 & 6.4	**144,726**	159,671
Less: Carrying value	6.1, 6.2, 6.3 & 6.4	**137,008**	139,107
		7,718	20,564

7. PROFIT / MARKUP RECEIVABLE	Note	June 30, 2026	June 30, 2025
		------ (Rupees in '000) ------	
Dividend receivable		-	155
Mark-up accrued on bank deposits		**330**	2
		330	157

8. ADVANCES, DEPOSITS AND OTHER RECEIVABLES			
Security deposits with:			
National Clearing Company of Pakistan Limited (NCCPL)		**2,500**	2,500
Central Depository Company of Pakistan Limited - the Trustee		**100**	100
		2,600	2,600
Advance tax	8.1	**375**	375
Other receivable		**-**	700
		2,975	3,675

8.1 The income of the Fund is exempt from tax under Clause 99 of Part I of the Second Schedule of the ITO, 2001. Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO, 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO, 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO, 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO, 2001. The Management Company is confident that the same shall be refunded after filing refund application. Refund has been filed uptil tax year 2021.

9. PAYABLE TO THE MANAGEMENT COMPANY	Note	June 30, 2026	June 30, 2025
		------ (Rupees in '000) ------	
Management remuneration payable	9.1	**228**	378
Sindh sales tax payable on Management Company's remuneration	9.2	**34**	57
Sales load payable		**51**	10
		313	445

9.1 Pursuant to the amendments in the NBFC Regulations by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for hybrid schemes is subject to a weighted average cap determined based on the respective allocation of net assets to each asset class, effective from July 1, 2025. Accordingly, based on the Fund's asset allocation between equity and other debt instruments, the applicable management fee cap has been computed at 2.6% per annum. The Management Company has charged management fees at a rate of 2.25% of the Fund's net assets calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

9.2 The Sindh Provincial Government has levied Sindh sales tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of Management Company through Sindh sales tax on Services Act, 2011.

10. PAYABLE TO THE TRUSTEE	Note	June 30, 2026	June 30, 2025
		------ (Rupees in '000) ------	
Trustee fee payable	10.1	**26**	30
Sindh sales tax payable on remuneration of the Trustee	10.2	**4**	5
		30	35

10.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provision of the Trust Deed as per the tariff specified therein, based on the average net assets of the Fund. The fee is paid to the Trustee on monthly basis in arrears.

Based on the Trust Deed, Trustee fee has been charged based on the following tariff structure applicable to the Fund:

Average Net asset Value	Tariff per annum
Upto Rs. 1 billion	Rs. 0.7 million or 0.20% per annum of net assets, whichever is higher
Over Rs. 1 billion	Rs. 2.0 million plus 0.10% per annum of net assets value exceeding Rs. 1,000 million

10.2 The Sindh Provincial Government has levied Sindh Sales Tax (SST) at the rate of 15% (June 30, 2025: 15%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2026	June 30, 2025
11.	**PAYABLE TO SECP**		------ (Rupees in '000) ------	
	SECP fee payable	11.1	**11**	13

11.1 The Fund has charged SECP Fee at the rate of 0.085% of the average daily net assets of the Fund which is payable on monthly basis in arrears.

		Note	June 30, 2026	June 30, 2025
12.	**ACCRUED EXPENSES AND OTHER LIABILITIES**		------ (Rupees in '000) ------	
	Federal excise duty (FED)	12.1	**6,610**	6,610
	Withholding tax payable		**547**	1,343
	Auditors' remuneration		**1,175**	484
	Tax professional fee payable		**-**	150
	Brokerage payable		**151**	76
	Other payables		**95**	90
			8,578	8,753

12.1 The Finance Act, 2013 enlarged the scope of FED on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the SHC by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016. During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company with effect from July 1, 2016.

However, as a matter of prudence the provision for FED made for the period from January 13, 2013 to June 30, 2019 amounting to Rs. 6.610 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset value of the Fund would have been higher by Rs. 8.659 (June 30, 2025: Rs.7.966).

13. CONTINGENCIES AND COMMITMENTS

Other than already disclosed in these financial statements, there are no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

		June 30, 2026	June 30, 2025
14.	**NUMBER OF UNITS IN ISSUE**	----- (Number of units) -----	
	Movement during the year		
	Total units in issue at the beginning	**829,800**	901,168
	Add: Units issued	**776,339**	1,108,727
	Less: Units redeemed	**842,734**	1,180,095
	Total units in issue at the end	**763,405**	829,800

		June 30, 2026	June 30, 2025
15.	**AUDITORS' REMUNERATION**	**----- (Number of units) -----**	
	Annual audit fee	**454**	385
	Fee for half yearly review	**186**	158
	Out of pocket and other certification expenses	**222**	185
		862	728
	Sindh sales tax	**69**	58
		931	786

16. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

Since the management distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

17. TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the period from July 1, 2025 to June 30, 2026 is 4.31% (2025: 4.71%), which includes 0.52% (2025: 0.55%) representing government levy, SECP fee, and other related charges. However, Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CISs, effective from July 01, 2025.

		Note	June 30, 2026	June 30, 2025
18.	**CASH AND CASH EQUIVALENTS**		**------- (Rupees in '000) -------**	
	Bank balances	5.1	**56,326**	22,595
	Market Treasury Bills - 3 months	6.3	**29,662**	24,618
			85,988	47,213

16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Related parties / connected persons include the Management Company, Habib Bank Limited being the Sponsor of the Management Company, CDC, being the Trustee of the Fund, other CISs and pension schemes managed by the Management Company, directors and key management persons and officers of the Management Company, directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

Details of the transactions with connected persons and balances with them are as follows:

19.1 Transactions during the year	June 30, 2026	June 30, 2025
	------ (Rupees in '000) ------	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	**3,631**	3,977
Sindh sales tax on remuneration of the Management Company	**545**	597
Sales load	**151**	-
Dividend Nil units (2025: 16,880 units) - net	**-**	3,691
Issuance of 197,978 units (2025: 3 units)	**43,000**	1
Redemption of 426,986 units (2025: 226,178 units)	**93,467**	42,500
Amount received from Management Company against issuance to unitholders*	**-**	2
Habib Bank Limited - Sponsor		
Bank charges paid during the period	**19**	22
Mark-up earned during the period	**620**	613
Dividend income earned during the period	**4,829**	40
Purchase of 47,900 shares (2025: 99,000 shares)	**14,263**	15,359
Sale of 27,850 shares (2025: 104,000 Shares)	**7,762**	17,368
Sale of Market Treasury Bills	**-**	5,000
Central Depository Company of Pakistan - Trustee		
Trustee remuneration	**48**	48
Sindh sales tax on remuneration	**323**	318
CDC service charges	**18**	26

*This represents amount reimbursed by the Management Company in relation to reversal of excess amount charged against reimbursement of allocated expenses as per the direction of SECP.

19.2 Balances outstanding as at year end	June 30, 2026	June 30, 2025
	------ (Rupees in '000) ------	
HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	**228**	378
Sindh sales tax payable	**34**	57
Sales load payable	**51**	10
Units held: 197,978 units (June 30, 2025: 426,986 units)	**43,091**	79,281
Habib Bank Limited - Sponsor		
Bank balances	**291**	5,011
Profit receivable on bank deposits	**125**	-
Outstanding balance of Shares: 20,050 shares (June 30, 2025: Nil shares)	**5,859**	-
Central Depository Company of Pakistan Limited - Trustee		
Remuneration payable to the Trustee	**26**	30
Sindh sales tax payable	**4**	5
Security deposit	**100**	100

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	Quoted prices in active markets for identical assets or liabilities	Listed government securities traded on PSX are valued at revaluation rates disseminated by PSX and listed equity securities are valued at qouted rates. The fair value of debt securities (other than government securities) is based on the value determined and announced by MUFAP.
Level 2:	Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV / PKISRV). For Debt securities for which MUFAP valuation is not available are valued at face value of the securities.
Level 3:	Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)	The Fund applies discretion on the effective yield as per the allowable limits. The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/50 bps. For unrated securities the allowable limits +50 bps.

The following table shows the carrying amounts of fair values of financial assets and financial liabilities including the levels in the fair value hierarchy:

Particulars	June 30, 2026						
	Carrying amount			Fair value			
	At Fair value through profit or loss	At amortised cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial assets measured at fair value							
Listed equity securities	**115,064**	**-**	**115,064**	**115,064**	**-**	**-**	**115,064**
Market Treasury Bills	**29,662**	**-**	**29,662**	**-**	**29,662**	**-**	**29,662**
	144,726	**-**	**144,726**				
Financial assets not measured at fair value							
Bank balances	**-**	**56,326**	**56,326**				
Dividend and mark-up receivable	**-**	**330**	**330**				
Deposits and other receivable	**-**	**2,600**	**2,600**				
	-	**59,256**	**59,256**				
Financial liabilities not measured at fair value							
Payable to the Management Company	**-**	**279**	**279**				
Payable to the Trustee	**-**	**26**	**26**				
Dividend payable	**-**	**87**	**87**				
Payable against purchase of investment	**-**	**29,180**	**29,180**				
Accrued expenses and other liabilities	**-**	**1,314**	**1,314**				
	-	**30,886**	**30,886**				

Particulars	June 30, 2025						
	Carrying amount			Fair value			
	At Fair value through profit or loss	At amortised Cost	Total	Level 1	Level 2	Level 3	Total
	---------- (Rupees in '000) ----------						
Financial instruments							
Financial assets measured at fair value							
Listed equity securities	106,535	-	106,535	106,535	-	-	106,535
Market Treasury Bills	52,464	-	52,464	-	52,464	-	52,464
Term finance certificates	672	-	672	-	672	-	672
	159,671	-	159,671				
Financial assets not measured at fair value							
Bank balances	-	22,595	22,595				
Dividend and mark-up receivable	-	157	157				
Receivable against sale of investment	-	8,543	8,543				
Deposits and other receivable	-	3,300	3,300				
	-	34,595	34,595				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	388	388				
Payable to the Trustee	-	30	30				
Dividend payable	-	262	262				
Payable against purchase of investment	-	31,060	31,060				
Accrued expenses and other liabilities	-	754	754				
	-	32,494	32,494				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

21. UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in the unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

22. FINANCIAL RISK MANAGEMENT

The Board of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The fund preliminarily invest in a portfolio of equity securities. These Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of the Management Company and the regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

22.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all its transactions are carried out in Pakistan Rupees.

22.3 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

	Note	**June 30, 2026**	June 30, 2025
Variable rate instrument (financial asset)		**--- (Rupees in '000) ---**	
Bank balances	5	**56,326**	22,595
Term finance certificates	6.2	**-**	672
		56,326	23,267
Fixed rate instruments (financial assets)			
Market Treasury Bills	6.3	**29,662**	52,464
		85,988	75,731

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds KIBOR based bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income / loss for the year and net assets of the Fund would have been higher / lower by Rs. 0.55 million (June 30, 2025: Rs. 0.23 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund holds government securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by the Financial Market Association of Pakistan (FMAP) on June 30, 2026, the net income for the year and net assets would be lower / higher by Rs. 0.30 million (June 30, 2025: Rs. 0.53 million).

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

Particulars	Note	June 30, 2026				
		Yield / effective interest rate	Exposed to Yield / Interest rate risk			Not exposed to yield / interest risk	Total
			Up to three months	More than three months and up to one year	More than one year		
		------ (%) ------	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments							
Financial assets							
Bank balances	5	9.83 to 13.15	**56,326**	-	-	-	**56,326**
Investments	6						
at fair value through profit and loss - net							
- Listed equity securities			-	-	-	**115,064**	**115,064**
- Market Treasury Bills		11.56	**29,662**	-	-	-	**29,662**
			29,662	-	-	**115,064**	**144,726**
Profit receivable			-	-	-	**330**	**330**
Deposits and other receivables			-	-	-	**2,600**	**2,600**
			85,988	-	-	**117,994**	**203,982**
Financial liabilities							
Payable to the Management Company			-	-	-	**279**	**279**
Payable to the Trustee			-	-	-	**26**	**26**
Dividend Payable			-	-	-	**87**	**87**
Payable against purchase of investment			-	-	-	**29,180**	**29,180**
Accrued expenses and other liabilities			-	-	-	**1,314**	**1,314**
			-	-	-	**30,886**	**30,886**

	June 30, 2025				
	Yield / effective interest rate	Exposed to Yield / Interest rate risk			Not exposed to yield / interest risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	------ (%) ------	---------- (Rupees in '000) ----------				
Financial assets						
Bank balances	9.00 to 10.50	22,595	-	-	-	22,595
Investments						
- Listed equity securities		-	-	-	106,535	106,535
- Market Treasury Bills	11.13 to 13.64	24,618	27,846	-	-	52,464
- Term finance certificates and sukuk bonds	12.41	672	-	-	-	672
		25,290	27,846	-	106,535	159,671
Profit receivable		-	-	-	157	157
Receivable against purchase of investment		-	-	-	8,543	8,543
Deposits and other receivables		-	-	-	3,300	3,300
		47,885	27,846	-	118,535	194,266

	June 30, 2025					
		Exposed to Yield / Interest rate risk				
	Yield / effective interest rate	Up to three months	More than three months and up to one year	More than one year	Not exposed to yield / interest risk	Total
	------ (%) ------	---------- (Rupees in '000) ----------				
Financial liabilities						
Payable to the Management Company		-	-	-	388	388
Payable to the Trustee		-	-	-	30	30
Dividend payable		-	-	-	262	262
Payable against redemption of Units		-	-	-	31,060	31,060
Accrued expenses and other liabilities		-	-	-	754	754
		-	-	-	32,494	32,494

22.4 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk because of investments held by the Fund in listed equity securities classified as Financial Asset at 'fair value through profit or loss'. To manage it's price risk arising from investments in equity securities, the Fund diversifies it's portfolio within eligible stocks. The Fund's constitutive document and NBFC Regulations also limit investment in individual equity securities of not more than 10% of net assets of the Fund or issued capital of the investee company.

In case of 5% increase / (decrease) in price of all shares held by Fund at the year end, net loss for the year would decrease / increase by Rs. 5.75 million (June 30, 2025: Rs. 5.33 million) and net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities at fair value through profit or loss.

22.5 Credit risk

Credit risk represents the risk of loss if counterparties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments in term finance certificates, bank balances and other financial assets at amortised cost. The credit risk on the fund is limited because the counterparties are financial institutions with reasonably high credit ratings.

The Fund has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by independent rating agencies, where available, and if not available, the Fund uses other publicly available financial information and its own trading records to rate its major counterparties. The Fund's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Credit risk from bank balances is managed in accordance with the Fund's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparties credit limits are approved by the Board. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

	Note	June 30, 2026		June 30, 2025	
		Balance as per statement of assets and liabilities	**Maximum exposure to credit risk**	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
		---------- (Rupees in '000) ----------			
Bank balances	5	**56,326**	**56,326**	22,595	22,595
Investments in equity securities	6.1	**115,064**	**-**	106,535	-
Investments in market treasury bills	6.3	**29,662**	**-**	52,464	-
Investment in term finance certificates	6.2	**-**	**-**	672	672
Profit receivable	7	**330**	**330**	157	157
Deposits and other receivables	8	**2,600**	**2,600**	3,300	3,300
Receivable against sale of investment		**-**	**-**	8,543	8,543
		203,982	**59,256**	194,266	35,267

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2026 and June 30, 2025:

Bank balances by rating category	**2026**		
	Amount	**Rating**	**Rating agency**
	(Rupees in '000)		
Name of bank			
Habib Bank Limited	**291**	**AAA**	**VIS**
MCB Bank Limited	**51**	**AAA**	**PACRA**
Zarai Taraqiati Bank Limited	**1**	**AAA**	**VIS**
Allied Bank Limited	**143**	**AAA**	**PACRA**
National Bank of Pakistan	**13**	**AAA**	**PACRA**
Habib Metropolitan Bank Limited	**22**	**AAA**	**PACRA**
Dubai Islamic Bank Pakistan Limited	**8**	**AA**	**VIS**
JS Bank Limited	**32**	**AA**	**PACRA**
Soneri Bank Limited	**55,747**	**AA**	**PACRA**
Sindh Bank Limited	**18**	**AA**	**VIS**
	56,326		

Bank balances by rating category	2025		
	Amount	Rating	Rating agency
	(Rupees in '000)		
Name of bank			
Habib Bank Limited	5,011	AAA	VIS
MCB Bank Limited	47	AAA	PACRA
Zarai Taraqiati Bank Limited	1	AAA	VIS
Allied Bank Limited	136	AAA	PACRA
National Bank of Pakistan	13	AAA	PACRA
Habib Metropolitan Bank Limited	22	AA+	PACRA
Dubai Islamic Bank Pakistan Limited	8	AA	VIS
JS Bank Limited	28	AA	PACRA
Soneri Bank Limited	17,311	AA-	PACRA
Sindh Bank Limited	18	AA-	VIS
	22,595		

Deposits are placed with NCCPL and the trustee for the purpose of effecting transaction and settlement of listed securities. It is expected that all deposits with NCCPL and CDC will be clearly identified as being assets of the Fund, hence management believes that the Fund does not expect to incur credit losses with respect to these deposits.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

22.6 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting it's obligations arising from it's financial liabilities that are settled by delivering cash or other financial assets or that such obligations will have to be settled in a manner disadvantageous to the Fund. Liquidity risk also arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund is exposed to cash redemptions of its units on a regular basis. Units are redeemable at the holder's option based on the Fund's applicable redemption price calculated in accordance with the Fund's constitutive documents and guidelines laid down by the SECP.

Units of the Fund are redeemable on demand at the unit holder's option, however, the Fund does not anticipate significant redemption of units.

The table below analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of assets and liabilities date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

		June 30, 2026					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Note	---------- (Rupees in '000) ----------					
Financial assets							
Bank balances	5	**56,326**	-	-	-	-	**56,326**
Investments							
- Listed equity securities	6.1	**115,064**	-	-	-	-	**115,064**
- Market treasury bills	6.3	-	**29,662**	-	-	-	**29,662**
Dividend and profit receivable	7	**330**	-	-	-	-	**330**
Deposits and other receivables	8	**2,600**	-	-	-	-	**2,600**
Receivable against sale of investment		-	-	-	-	-	-
		174,320	**29,662**	-	-	-	**203,982**
Financial liabilities							
Payable to the Management Company	9	**279**	-	-	-	-	**279**
Payable to the Trustee	10	**26**	-	-	-	-	**26**
Dividend Payable		**87**	-	-	-	-	**87**
Payable against purchase of shares		**29,180**	-	-	-	-	**29,180**
Accrued expenses and other liabilities	12	**1,314**	-	-	-	-	**1,314**
		30,886	-	-	-	-	**30,886**
On-balance sheet gap		**143,434**	**29,662**	-	-	-	**173,096**
Total liquidity risk sensitivity gap		**143,434**	**29,662**	-	-	-	**173,096**
Cumulative liquidity risk sensitivity gap		**143,434**	**173,096**	**173,096**	**173,096**	**173,096**	

		June 30, 2025					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
		(Rupees in '000)					
Financial assets							
Bank balances	5	22,595	-	-	-	-	22,595
Investments							
- Listed equity securities	6.1	106,535	-	-	-	-	106,535
- Market treasury bills	6.3	-	24,618	27,846	-	-	52,464
- Term Finance Securities	6.2	-	-	672	-	-	672
Profit / Markup receivable	7	157	-	-	-	-	157
Receivable against sale of investment		8,543	-	-	-	-	8,543
Deposits and other receivables	8	3,300	-	-	-	-	3,300
		141,130	24,618	28,518	-	-	194,266
Financial liabilities							
Payable to the Management Company	9	388	-	-	-	-	388
Payable to the Trustee	10	30	-	-	-	-	30
Dividend Payable		262	-	-	-	-	262
Payable against redemption of Units		31,060	-	-	-	-	31,060
Accrued expenses and other liabilities	12	754	-	-	-	-	754
		32,494	-	-	-	-	32,494
On-balance sheet gap		108,636	24,618	28,518	-	-	161,772
Total liquidity risk sensitivity gap		108,636	24,618	28,518	-	-	161,772
Cumulative liquidity risk sensitivity gap		108,636	133,254	161,772	161,772	161,772	

23. LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Top ten brokers during the year ended June 30, 2026

1. AKD Securities Limited
2. Intermarket Securities Limited
3. DJM Securities Limited
4. Ktrade Securities Limited
5. Aba Ali Habib Securities (Private) Limited
6. Alpha Capital (Private) Limited
7. BMA Capital Management Limited
8. JS Global Capital Limited
9. Chase Securities Pakistan (Private) Limited
10. Taurus Securities Limited

Top ten brokers during the year ended June 30, 2025

1. Intermarket Securities Limited
2. Topline Securities (Private) Limited
3. Sherman Securities (Private) Limited
4. BMA Capital Management Limited
5. Darson Securities (Private) Limited
6. Spectrum Securities Limited
7. JS Global Capital Limited
8. Fortune Securities Limited
9. Arif Habib Limited
10. DJM Securities Limited

24. PARTICULARS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of members of the investment committee of the Fund are as follows:

S.no	Name	Designation	Qualification	Experience in years
1.	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27
2.	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3.	Mr. Amin Muhammad	Chief Risk Officer	MBA	34
4.	Mr. Sunny Kumar	Head of Equities	B.Com	8
5.	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	21
6.	Mr. Wasim Akram	Senior Fund Manager	MBA	23
7.	Ms. Nida Siddiqui	Assistant Fund Manager	MBA	1

25. PATTERN OF UNIT HOLDING

Category	June 30, 2026			
	Number of units holder	Number of units held	Investment amount	Percentage of Investment
			(Rupees in '000)	------- (%) -------
Individuals	**380**	**534,682**	**116,375**	**70.04**
Associated companies	**1**	**197,978**	**43,091**	**25.93**
Retirement funds	**2**	**1**	**-**	**-**
Others	**1**	**30,744**	**6,692**	**4.03**
	384	**763,405**	**166,158**	**100.00**

Category	June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage of Investment
			(Rupees in '000)	------- (%) -------
Individuals	259	372,837	69,226	44.93
Associated companies	1	426,986	79,281	51.46
Retirement funds	2	1	-	-
Others	2	29,976	5,566	3.61
	264	829,800	154,073	100.00

26. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS

Nine meetings of the Board were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

	Name of Director	Number of Meetings		Leaves granted	Meeting not attended
		Held	Attended		
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3	Mr. Khalid Malik	9	9	-	-
4	Mr. Tariq Masaud	9	8	1	October 30, 2025
5	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026,
6	Mr. Mir Adil Rashid	9	9	-	-
7	Ms. Sheeza Ahmed	9	9	-	-
8	Mr. Irfan Ahmed Meer***	3	2	1	April 29, 2026

	Name of Director	Number of Meetings		Leaves granted	Meeting not attended
		Held	Attended		
9	Dr. Sahar Awan***	3	3	-	-
10	Mr. Rayomond H. Kotwal**	6	5	1	December 22, 2025
11	Mr. Habib Yousuf Habib*	3	3	-	-

* Resigned on November 27, 2025.
** Resigned on April 06, 2026.
*** Appointed on April 08, 2026.

27. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation the effect of which is not material.

28. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

29. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL

Growth Fund

FUND INFORMATION

NAME OF FUND	HBL Growth Fund
NAME OF AUDITOR	A.F. Ferguson & Co.
NAME OF TRUSTEE	Central Depository of Pakistan Limited (CDC)
BANKERS	Allied Bank limited Habib Bank Limited Habib Metro Bank Limited HBL Micro Finance Bank Limited JS Bank Limited Khushali Micro Finance Bank Limited MCB Bank Limited Mobillink Micro Finance Bank Limited National Bank Limited Soneri Bank limited U Micro Finance Bank Limited Zarai Taraqiati Bank Limited

Type and Category of Fund

Equity / Open-end

Investment Objective and Accomplishment of Objective

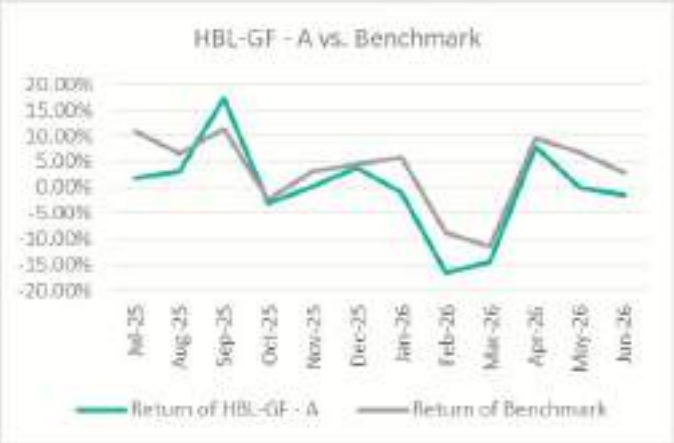
The objective of HBL Growth Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations. The Collective Investment Scheme achieved its stated objective.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KSE-100 Index.

Month	Return of Fund	
	HBL-GF - B	Benchmark
Jun-26	6.92%	2.97%
May-26	8.99%	6.73%
Apr-26	11.47%	9.58%
Mar-26	-13.60%	-11.50%
Feb-26	-13.25%	-8.75%
Jan-26	5.27%	5.81%
Dec-25	8.59%	4.43%
Nov-25	2.27%	3.12%
Oct-25	-3.78%	-2.33%
Sept-25	13.43%	11.36%
Aug-25	8.03%	6.62%
Jul-25	5.81%	10.96%

Month	Return of Fund	
	HBL-GF - A	Benchmark
Jun-26	6.92%	2.97%
May-26	8.99%	6.73%
Apr-26	11.47%	9.58%
Mar-26	-13.60%	-11.50%
Feb-26	-13.25%	-8.75%
Jan-26	5.27%	5.81%
Dec-25	8.59%	4.43%
Nov-25	2.27%	3.12%
Oct-25	-3.78%	-2.33%
Sept-25	13.43%	11.36%
Aug-25	8.03%	6.62%
Jul-25	5.81%	10.96%

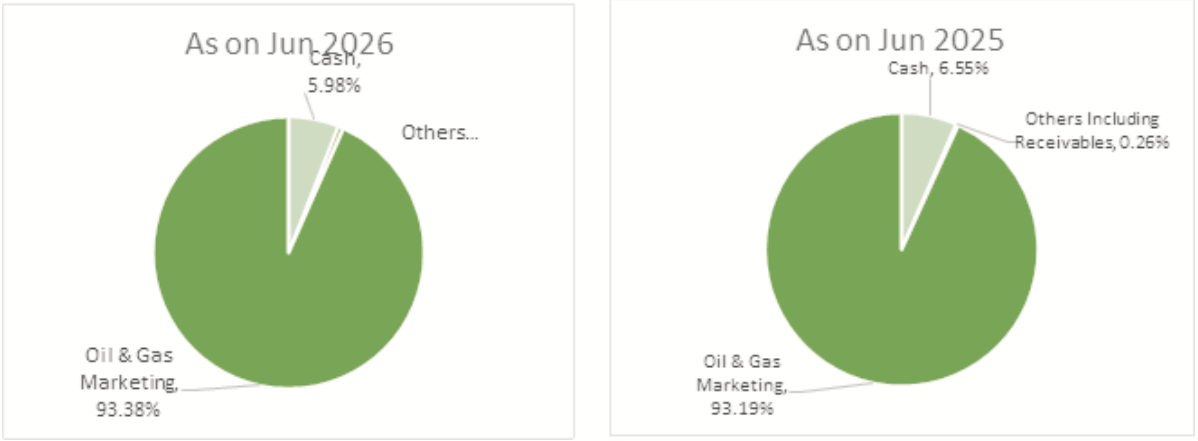


Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equities for Growth Fund B and Growth Fund A from 86.93% and 93.19% on June 30, 2025 to 86.94% and 93.38% as on June 30, 2026 respectively. Furthermore, for Growth Fund B, sector-wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in commercial banks, technology and others was increased, while exposure in oil and gas exploration, oil and gas marketing, cement and autos was decreased.

Asset Allocation
Growth - B

Growth - A



Significant Changes in Asset Allocation during the Year

The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2026 and June 30, 2025:

HBL Growth Fund - B

Sector Name	As on Jun 2026	As on Jun 2025
Cash	7.04%	12.63%
Others Including Receivables	6.01%	0.44%
Commercial Banks	15.77%	0.00%
Oil & Gas Exploration	15.65%	21.24%
Oil & Gas Marketing	5.51%	11.38%
Technology	15.44%	10.91%
Automobile Assembler	0.00%	9.11%
Cement	9.41%	15.55%
Others	25.17%	18.74%
Total	**100.00%**	**100.00%**

HBL Growth Fund - A

Sector Name	As on Jun 2026	As on Jun 2025
Cash	5.98%	6.55%
Others Including Receivables	0.64%	0.26%
Oil & Gas Marketing	93.38%	93.19%
Total	**100.00%**	**100.00%**

Fund Performance

HBL Growth Fund

The Fund as a whole earned a total and net income of Rs. 1.36 billion and Rs. 1.06 billion respectively during the year under review. The fund size of the fund stood at Rs. 13.61 billion as on June 30, 2026.

Performance review of each class is presented below:

HBL Growth Fund - Class 'A'

HBL Growth Fund - Class 'A' earned a total income and net income of Rs. 373.24 million and Rs. 190.39 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'A' was Rs. 39.0503 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.66 per unit) as compared to Rs. 42.2869 as at June 30, 2025, thereby giving a negative return of 6.11%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'A' was Rs. 11.07 billion as on June 30, 2026 as compared to Rs. 11.99 billion at the start of the year.

HBL Growth Fund - Class 'B'

HBL Growth Fund - Class 'B' earned a total and net income of Rs. 982.08 million and Rs. 874.38 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'B' was Rs. 44.3589 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.50 per unit) as compared to Rs. 31.5798 as at June 30, 2025, thereby giving a return of 42.01%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'B' was Rs. 2.54 billion as on June 30, 2026 as compared to Rs. 2.38 billion at the start of the year.

Market Review

During FY2026, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KSE All-Share Index rising to 911 million shares (up 44% from 633 million shares in the same period last year). Average daily traded value surged 51% to PKR 42.5 billion, up from PKR 28.15 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution

The Board of Directors approved Rs.0.66 dividend per unit to the unit holders for the year ended June 30, 2026 from HBL Growth Fund Class 'A'.

The Board of Directors approved dividend of up-to Rs. 0.50 per unit for the year ended June 30, 2026 from HBL Growth Fund Class 'B'.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Certificate Holding by Size

From - To (No. of Certificates)	No. of Certificate Holders (Class 'A' Units)	Total No. of Certificates Held (Class 'A' Units)	No. of Certificate Holders (Class 'B' Units)	Total No. of Certificates Held (Class 'B' Units)
1 - 100	628	28,469	1,070	20,722
101 - 500	2,665	711,176	2,582	673,983
501 - 1,000	1,063	827,777	1,046	770,621
1,001 - 10,000	3,171	10,915,387	3,117	10,416,378
10,001 - 100,000	884	23,361,374	729	17,249,302
100,001 - 500,000	77	17,644,112	54	8,836,175
500,001 - 1,000,000	15	10,660,329	3	2,184,610
1,000,001 - 5,000,000	8	16,416,137	1	2,034,704
5,000,001 and above	14	202,935,239	1	15,029,320
Total	**8,525**	**283,500,000**	**8,603**	**57,215,815**

Certificate Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Certificate Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL GROWTH FUND

As at June 30, 2026

	2026		2025		2024		2023		2022		2021	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Net assets at the period end(Rs'000)	11,070,752	2,538,030	11,988,341	2,381,604	5,655,386	1,498,821	3,897,444	908,211	5,500,143	1,047,498	6,843,722	1,860,878
NET ASSETS VALUE PER UNIT/CERTIFICATE AT 30 JUNE - RUPEES	39.0503	44.3589	42.2869	31.5798	19.9485	21.5925	13.7476	12.2463	19.4009	12.8951	24.1401	19.9069
Redemption - Class B	-	44.3589	-	31.5798	-	21.5925	-	12.2463	-	12.8951	-	19.9069
Offer - Class B unit type C	-	45.3792	-	32.3061	-	22.0805	-	12.5231	-	13.1865	-	20.3558
OFFER / REDEMPTION DURING THE PERIOD - RUPEES												
Highest offer price per unit - Class B	-	48.9918	-	35.8614	-	23.7792	-	13.9866	-	20.5463	-	20.7254
Lowest offer price per unit - Class B	-	32.5596	-	22.2688	-	13.2441	-	11.5078	-	13.1311	-	15.7388
Highest redemption price per unit - Class B	-	47.8903	-	35.0551	-	23.2537	-	13.6775	-	20.0922	-	20.2674
Lowest redemption price per unit - Class B	-	31.8276	-	21.6615	-	12.9514	-	11.2535	-	12.8409	-	15.4699
RETURN (%)												
Total return	-6.11%	42.01%	117.23%	47.41%	49.62%	89.24%	-22.95%	-5.03%	-19.63%	-35.22%	33.50%	30.86%
Income distribution	1.56%	3.32%	5.26%	1.16%	5.46%	11.84%	1.20%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital growth	-4.55%	42.01%	122.49%	47.41%	55.08%	89.24%	-21.75%	-5.03%	-19.63%	-35.22%	33.50%	30.86%
DISTRIBUTION												
First Interim dividend distribution	0.66	1.05	1.05	0.25	0.75	1.45	1.20%	-	-	-	-	-
Date of Income Distribution	29-Jun-2026	27-Jun-2026	27-Jun-2025	27-Jun-2025	28-Jun-2024	28-Jun-2024	30-Jun-2023	-	-	-	-	-
Total dividend distribution for the year/ period	0.66	1.05	1.05	0.25	0.75	1.45	0.012	-	-	-	-	-
AVERAGE RETURNS (%)												
Average annual return 1 year	-6.11%	42.01%	117.23%	47.41%	49.62%	89.24%	-22.95%	-5.03%	-19.63%	-35.22%	33.50%	30.86%
Average annual return 2 year	42.81%	44.68%	80.28%	67.02%	7.37%	34.06%	-21.31%	-21.56%	3.58%	-7.93%	18.81%	12.89%
Average annual return 3 year	45.05%	58.23%	35.80%	38.37%	-2.51%	5.20%	-6.15%	-6.97%	4.30%	-6.19%	-1.82%	2.21%
PORTFOLIO COMPOSITION - (%)												
Percentage of Total Assets as at 30 June:												
Bank Balances	5.98%	7.04%	6.55%	12.63%	11.12%	13.83%	19%	22%	8%	21%	3%	17%
GoP Ijarah Sukuks	-	-	-	-	-	-	-	-	-	-	-	-
Placement with Banks and DFIs	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Sukuks	-	-	-	-	-	-	-	-	-	-	-	-
Stock / Equities	93.38%	86.94%	93.19%	86.93%	87.80%	85.03%	81%	66%	91%	78%	96%	80%
Others	0.64%	6.01%	0.27%	0.44%	0.42%	1.14%	1%	12%	0%	1%	0%	3%

Note:

The Fund converted to open end fund on July 02, 2018

* Since conversion from Closed-End to Open-End

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

PROXY VOTING DISCLOSURE

Summary of Actual Proxy voted by CIS

HBL GF	Meetings	Resolutions	For	Against
Number	4	9	9	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Adamjee Insurance Company Limited	4/28/2026	
AGP LIMITED	4/20/2026	29-Jun-26
Aisha Steel Mills Limited		
Allied Bank Limited		
Askari Bank Limited	3/17/2026	
AT-TAHUR LIMITED		
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
BF Biosciences Limited		
Big Bird Foods Limited		
Blue-Ex Limited		
Cherat Cement Company Ltd	10/9/2025	
Citi Pharma Ltd.		
DEWAN CEMENT LMITED		
DG Khan Cement Co Ltd		
Engro Fertilizer Limited	3/25/2026	
Engro Holding Limited	4/28/2026	
Fatima Fertilizer Company Ltd	4/17/2026	18-Dec-25
Fauji Cement Company Ltd	9/30/2025	
Fauji Fertilizer Company Ltd	16-Mar-26	8-Dec-25
GHANDHARA AUTOMOBILES LIMITED		
Ghandhara Industries Limited		
GLAXOSMITHKLINE PAKISTAN LIMITED	4/30/2026	
Habib Bank Limited	3/30/2026	28-Apr-26
Hum Network Limited		
International Industries Ltd	9/26/2025	6/18/2026
International Steels Limited	9/24/2025	
LUCKY CEMENT LTD	9/26/2025	
Maple Leaf Cement Ltd.	10/16/2025	31-Dec-25
Mari Energies Limited	9/26/2025	22-Mar-26
MCB Bank Limited	3/27/2026	
Meezan Bank Ltd		
Mughal Iron		
National Bank of Pakistan		
NATIONAL REFINERY LTD	9/30/2025	
NISHAT MILLS LIMITED		31-Mar-26
Nishat Power Limited		13-Aug-25
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
Pakistan Intl. Bulk Terminal Ltd.	10/23/2025	
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan Reinsurance Company Limited	4/30/2026	
Pakistan State Oil Company Ltd	10/24/2025	
Pakistan Stock Exchange Limited		
PAKISTAN TELECOMMUNICATION COMPANY		20-Nov-25
Pakistan Tobacco Company Limited	4/28/2026	
Pioneer Cement Co Limited		31-Mar-26
Samba Bank Limited	3/26/2026	
SUI NORTHERN GAS PIPELINES LIMITED	11/27/2025	
SUI SOUTHERN GAS COMPANY LIMITED	11/27/2025	23-Dec-25
Systems Limited	11-MAY-2026 & 28/04/202 6	27-Feb-26
The Bank of Punjab	3/26/2026	
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Searle Comp		12-Jun-26
TPL Corp Limited	12/30/2025	23-Apr-26
TPL Insurance Limited	30-MAY-2026 & 30-APRIL-2026 & 23/04/2026	
TPL Life Insurance Limited	30-APRIL-2026 & 23/04/2026	
TPL Properties Limited.	12/29/2025	
TPL REIT Fund I		
TPL TRAKKER LIMITED	11/27/2025	
Treet Corporation Limited	10/27/2025	26-JUNE-2026 & 13/01/2026 29-JUNE
United Bank Limited	3/26/2026	

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel : (92-21) 111-111-500
Fax: (92-21) 343 26021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL GROWTH FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Growth Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

pwc A.F.FERGUSON&Co.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Growth Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Growth Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 992.128 million and investments of the Fund amounted to Rs. 13,031.694 million as at June 30, 2026. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (HBL Asset Management Limited) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and Board of Directors of Management Company for the Financial Statements

The Management Company (HBL Asset Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

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- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh.**

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 29, 2026
UDIN: AR202610061fRTrlhPml

HBL GROWTH FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
		Rupees in '000					
ASSETS							
Bank balances	4	733,776	258,352	992,128	807,048	270,529	1,077,577
Investments	5	10,566,942	2,464,752	13,031,694	11,487,814	2,363,202	13,851,016
Dividend and profit receivable	6	22,092	8,892	30,984	32,841	9,042	41,883
Receivable against sale of investments		-	83,324	83,324	-	-	-
Advance, deposits and other receivables	7	1,213	5,200	6,413	1,213	4,831	6,044
Receivable from HBL Asset Management Limited - Management Company		-	-	-	-	9,199	9,199
Total assets		11,324,023	2,820,521	14,144,544	12,328,916	2,656,803	14,985,719
LIABILITIES							
Payable to HBL Asset Management Limited - Management Company	8	10,779	7,062	17,841	11,408	8,224	19,632
Payable to Central Depository Company of Pakistan Limited - Trustee	9	3,058	592	3,650	1,258	363	1,621
Payable to the Securities and Exchange Commission of Pakistan	10	890	193	1,083	942	183	1,125
Accrued expenses and other liabilities	11	7,248	136,653	143,901	4,532	130,978	135,510
Dividend payable		231,296	6,497	237,793	322,435	3,958	326,393
Unclaimed dividend		-	131,493	131,493	-	131,493	131,493
Total liabilities		253,271	282,490	535,761	340,575	275,199	615,774
NET ASSETS		11,070,752	2,538,031	13,608,783	11,988,341	2,381,604	14,369,945
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		11,070,752	2,538,030	13,608,782	11,988,341	2,381,604	14,369,945
CONTINGENCIES AND COMMITMENTS	12						
		Number of units			Number of units		
NUMBER OF UNITS IN ISSUE	16	283,500,000	57,215,815		283,500,000	75,415,306	
		Rupees			Rupees		
NET ASSET VALUE PER UNIT	3.6	39.0503	44.3589		42.2869	31.5798	

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL GROWTH FUND
Income Statement
For the year ended June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
INCOME		Rupees in '000					
Dividend income		303,383	106,752	410,135	392,584	84,756	477,340
Profit on savings accounts with banks		69,859	27,299	97,158	88,895	39,936	128,831
Gain on sale of investments - net		-	417,114	417,114	-	518,632	518,632
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.1.2.2	-	430,917	430,917	-	217,141	217,141
		-	848,031	848,031	-	735,773	735,773
Other income		-	-	-	1,963	-	1,963
Total income		373,242	982,082	1,355,324	483,442	860,465	1,343,907
EXPENSES							
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	8.1 & 8.2	150,169	87,478	237,647	133,179	87,140	220,319
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh sales tax thereon)	8.3	-	-	-	6,831	2,377	9,208
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	9.1 & 9.2	14,739	3,045	17,784	11,851	2,551	14,402
Fee to the Securities and Exchange Commission of Pakistan	10.1	12,405	2,408	14,813	9,235	1,998	11,233
Brokerage and securities transaction costs		-	13,248	13,248	-	22,043	22,043
Auditor's remuneration	13	1,318	302	1,620	1,180	345	1,525
Fees and subscription		790	30	820	961	1,234	2,195
Settlement and bank charges		3,428	1,189	4,617	2	562	564
Reimbursement of expenses from HBL Asset Management Limited - Management Company		-	-	-	-	(9,199)	(9,199)
Total expenses		182,849	107,700	290,549	163,239	109,051	272,290
Net income for the year before taxation		190,393	874,382	1,064,775	320,203	751,414	1,071,617
Taxation	14	-	-	-	-	-	-
Net income for the year after taxation		190,393	874,382	1,064,775	320,203	751,414	1,071,617
Allocation of net income for the year:							
Net income for the year after taxation		190,393	874,382		320,203	751,414	
Income already paid on units redeemed		-	(179,933)		-	(200,683)	
		190,393	694,448		320,203	550,731	
Accounting income available for distribution:							
- Relating to capital gains		-	694,448		-	550,731	
- Excluding capital gains		190,393	-		320,203	-	
		190,393	694,448		320,203	550,731	

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL GROWTH FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
		Rupees in '000					
Net income for the year after taxation		190,393	874,382	1,064,775	320,203	751,414	1,071,617
Items that will not be reclassified to income statement							
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through other comprehensive income'	5.1.1.2	(920,872)	-	(920,872)	6,310,427	-	6,310,427
Total comprehensive (loss) / income for the year		(730,479)	874,382	143,903	6,630,630	751,414	7,382,044

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL GROWTH FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2026							
	Class A					Class B		
	Capital value	Accum-ulated losses	Unrealised appreciation on revaluation of fair value through OCI	Premium on issue of certificates	Total	Capital value	Undistri-buted income	Total
	Rupees in '000							
Net assets at the beginning of the year	2,835,000	(2,921,908)	10,067,437	2,007,812	11,988,341	(252,694)	2,634,298	2,381,604
Issuance of Class A: nil units and Class B: 24,188,655 units								
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	763,873	-	763,873
- Element of income	-	-	-	-	-	216,418	-	216,418
Total proceeds on issuance of units	-	-	-	-	-	980,291	-	980,291
Redemption of Class A: nil units and Class B: 42,388,146 units								
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	(1,338,609)	-	(1,338,609)
- Element of loss	-	-	-	-	-	(151,356)	(179,933)	(331,290)
Total payments on redemption of units	-	-	-	-	-	(1,489,965)	(179,933)	(1,669,899)
Total comprehensive (loss) / income for the year	-	190,393	(920,872)	-	(730,479)	-	874,382	874,382
Distribution for the year ended June 30, 2026 distribution at Re. 0.66 per unit declared on June 29, 2026 of Class A	-	(187,110)	-	-	(187,110)	-	-	-
Distribution for the year ended June 30, 2026 at Re. 0.5 per unit declared on June 24, 2026 of Class B	-	-	-	-	-	-	(28,086)	(28,086)
Refund of capital	-	-	-	-	-	(261)	-	(261)
Net (loss) / income for the year less distribution	-	(187,110)	-	-	(187,110)	(261)	(28,086)	(28,348)
Net assets at the end of the year	2,835,000	(2,918,625)	9,146,565	2,007,812	11,070,752	(762,630)	3,300,660	2,538,030
Accumulated (loss) / undistributed income brought forward comprising of:								
- Realised (loss) / income		(2,921,908)					2,417,157	
- Unrealised income		-					217,141	
		(2,921,908)					2,634,298	
Accounting income available for distribution:								
- Relating to capital gains		-					694,448	
- Excluding capital gains		190,393					-	
		190,393					694,448	
Distribution made during the year		(187,110)					(28,086)	
Accumulated (loss) / undistributed income carried forward		(2,918,625)					3,300,660	
Accumulated (loss) / undistributed income carried forward comprising of:								
- Realised (loss) / income		(2,918,625)					2,869,743	
- Unrealised income		-					430,917	
		(2,918,625)					3,300,660	
				(Rupees)				(Rupees)
Net asset value per unit at the beginning of the year				42.2869				31.5798
Net asset value per unit at the end of the year				39.0503				44.3589

Note: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL GROWTH FUND
STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND
For the year ended June 30, 2026

	2025							
	Class A					Class B		
	Capital value	Accumulated losses	Unrealised appreciation on revaluation of fair value through OCI	Premium on issue of certificates	Total	Capital value	Undistributed income	Total
	Rupees in '000							
Net assets at beginning of the year	2,835,000	(2,944,436)	3,757,010	2,007,812	5,655,386	(600,335)	2,099,156	1,498,821
Issuance of Class A: nil units and Class B: 46,581,236 units								
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	1,005,805	-	1,005,805
- Element of income	-	-	-	-	-	345,048	-	345,048
Total proceeds on issuance of units	-	-	-	-	-	1,350,853	-	1,350,853
Redemption of Class A: nil units and Class B: 40,579,938 units								
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	-	(876,222)	-	(876,222)
- Element of loss	-	-	-	-	-	(123,822)	(200,683)	(324,505)
Total payments on redemption of units	-	-	-	-	-	(1,000,044)	(200,683)	(1,200,727)
Total comprehensive income for the year	-	320,203	6,310,427	-	6,630,630	-	751,414	751,414
Distribution for the year ended June 30, 2025 at Re. 1.05 per unit declared on June 30, 2025 of Class A	-	(297,675)	-	-	(297,675)	-	-	-
Distribution for the year ended June 30, 2025 at Rs. 0.25 per unit declared on June 27, 2025 of Class B	-	-	-	-	-	-	(15,589)	(15,589)
Refund of capital	-	-	-	-	-	(3,168)	-	(3,168)
Net income for the year less distribution	-	(297,675)	-	-	(297,675)	(3,168)	(15,589)	(18,757)
Net assets at the end of the year	2,835,000	(2,921,908)	10,067,437	2,007,812	11,988,341	(252,694)	2,634,298	2,381,604
Accumulated (loss) / undistributed income brought forward comprising of:								
- Realised (loss) / income		(2,944,436)					1,793,302	
- Unrealised income		-					305,854	
		(2,944,436)					2,099,156	
Accounting income available for distribution:								
- Relating to capital gains		-					550,731	
- Excluding capital gains		320,203					-	
		320,203					550,731	
Distribution made during the year		(297,675)					(15,589)	
Accumulated (loss) / undistributed income carried forward		(2,921,908)					2,634,298	
Accumulated (loss) / undistributed income carried forward comprising of:								
- Realised (loss) / income		(2,921,908)					2,417,157	
- Unrealised income		-					217,141	
		(2,921,908)					2,634,298	
				(Rupees)				(Rupees)
Net asset value per unit at the beginning of the year				19.9485				21.5925
Net asset value per unit at the end of the year				42.2869				31.5798

Note: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

The annexed notes 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL GROWTH FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
		Rupees in '000					
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income for the year before taxation		190,393	874,382	1,064,775	320,203	751,414	1,071,617
Adjustments for:							
Dividend income		(303,383)	(106,752)	(410,134)	(392,584)	(84,756)	(477,340)
Profit on savings accounts with banks		(69,859)	(27,299)	(97,158)	(88,895)	(39,936)	(128,831)
Gain on sale of investments - net		-	(417,114)	(417,114)	-	(518,632)	(518,632)
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.1.2.2	-	(430,917)	(430,917)	-	(217,141)	(217,141)
		(182,848)	(107,699)	(290,548)	(161,276)	(109,051)	(270,327)
Decrease / (increase) in assets							
Investments - net		-	746,481	746,481	-	(79,795)	(79,795)
Receivable against sale of investments		-	(83,324)	(83,324)	-	-	-
Advance, deposits and other receivables		-	(369)	(369)	23	4	27
Receivable from HBL Asset Management Limited - Management Company		-	9,199	9,199	-	1,958	1,958
		-	671,986	671,986	23	(77,833)	(77,810)
Increase / (decrease) in liabilities							
Payable to HBL Asset Management Limited - Management Company		(629)	(1,162)	(1,791)	572	2,493	3,065
Payable to Central Depository Company of Pakistan Limited - Trustee		1,800	229	2,029	620	108	728
Payable to the Securities and Exchange Commission of Pakistan		(52)	10	(41)	485	63	548
Accrued expenses and other liabilities		2,716	5,674	8,390	(22,712)	(12,329)	(35,041)
Unclaimed dividend		-	-	-	-	(154)	(154)
		3,836	4,751	8,586	(21,035)	(9,819)	(30,854)
Dividend received		301,103	106,700	407,803	390,303	86,150	476,453
Profit received on savings accounts with banks		82,886	27,501	110,387	81,925	34,675	116,600
Net cash generated from / (used in) operating activities		204,977	703,239	908,214	289,940	(75,878)	214,062
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance of units - net of refund of capital		-	980,030	980,030	-	1,347,685	1,347,685
Payment against redemption of units		-	(1,669,899)	(1,669,899)	-	(1,200,727)	(1,200,727)
Dividend paid		(278,249)	(25,547)	(303,796)	(177,405)	(51,450)	(228,855)
Net cash (used in) / generated from financing activities		(278,249)	(715,416)	(993,665)	(177,405)	95,508	(81,897)
Net (decrease) / increase in cash and cash equivalents		(73,272)	(12,177)	(85,449)	112,535	19,630	132,165
Cash and cash equivalents at the beginning of the year		807,048	270,529	1,077,577	694,513	250,899	945,412
Cash and cash equivalents at the end of the year	4	733,776	258,352	992,128	807,048	270,529	1,077,577

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Growth Fund (The Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 02, 2004 , as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited (the Management Company) and Central Depository Company of Pakistan Limited (CDC) as the Trustee. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the "Sindh Trust Act, 2020".

1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the NBFC Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.3 The objective of the Fund is to maximise the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to be converted into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However, closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

1.5 The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an Open End Scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The plan was also approved by the SECP on February 16, 2018.

1.6 The replacement trust deed and replacement offering document were approved by the SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved Plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to following for each certificate held:

- One Class-A unit of the Fund was issued to every certificate holder of the Fund for each certificate held representing frozen portfolio and related assets and liabilities.

- One Class-B unit of the Fund was issued to the every certificate holder of the Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.

1.7 The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange. Whereas Class-B units can be redeemed at the redemption price.

1.8 VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating to 'AM-I' dated December 31, 2025 (2025: 'AM-I' dated December 31, 2024) and the outlook on the rating has been assigned as 'Stable' (2025: 'Stable'). Further, the Fund is not rated by any credit rating agency as of June 30, 2026.

1.9 The title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of, directives and notifications issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for the following:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) is effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the 'Income Statement' with certain additional disclosures in the financial statements; and

- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (Notes 3.2 and 5) and provision for federal excise duty (Note 11.1).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets have been disclosed in Note 20.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These have been applied consistently to all the years presented, unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the satement of financial position at amortised cost. These comprise of balances with banks in savings account.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

3.2.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the “Statement of Assets and Liabilities” at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2.2 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

Up to February 8, 2026, regular way purchases / sales of assets required delivery of securities within two days from the transaction date (T+2) as per the stock exchange regulations. Effective from February 9, 2026, in accordance with the revised regulations of the Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL), the settlement cycle has transitioned to a Trade plus one day (T+1) basis, requiring delivery of securities within one day from the transaction date.

3.2.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the NAV per unit as of the close of the business day, plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive a redemption application during business hours of that date. The redemption price is equal to NAV as of the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction cost, if applicable.

3.8 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) on issuance / (redemption) of units

The element of income represents the difference between the NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of the capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in the unit holders fund will be refunded on units in the same proportion as the dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise;
- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as financial assets 'at fair value through other comprehensive income' are included in the statement of comprehensive income in the year in which they arise;
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on saving accounts with banks is recognised on a time proportion basis using the effective yield method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, Trustee and fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Taxation

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders in cash. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account."

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

			2026			2025		
			Class A	Class B	Total	Class A	Class B	Total
4	BANK BALANCES	Note	Rupees in '000					
	Savings accounts	4.1	733,776	258,352	992,128	807,048	270,529	1,077,577

4.1 These include balance of Rs. 2.31 million (2025: Rs. 2.31 million) with Habib Bank Limited (a related party) carrying profit at the rate of 7.93% (2025: 11.11%) per annum, Rs. 732.95 million (2025: Rs. 849.98 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.80% (2025: 11.25%) per annum and Rs. 201.19 million (2025: Rs. 180.38 million) with MCB Bank Limited (a related party) carrying profit at the rate of 9.00% (2025: 7.48%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 9.00% to 11.00% (2025: 9.00% to 9.50%) per annum.

			2026			2025		
			Class A	Class B	Total	Class A	Class B	Total
5	INVESTMENTS	Note	Rupees in '000					
	At fair value through other comprehensive income							
	- Quoted equity securities	5.1.1 & 5.1.4	10,566,942	-	10,566,942	11,487,814	-	11,487,814
	At fair value through profit or loss							
	- Quoted equity securities	5.1.2, 5.1.3 & 5.1.4	-	2,464,752	2,464,752	-	2,363,202	2,363,202
			10,566,942	2,464,752	13,031,694	11,487,814	2,363,202	13,851,016

5.1 Quoted equity securities

5.1.1 Class A - At fair value through other comprehensive income

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the the investee company
									total market value of investments	net assets of the Fund	
CLASS A	(Number of shares)					(Rupees in '000)			(%)		
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited (note 5.1.4)	27,364,904	-	-	-	27,364,904	1,307,982	9,368,375	8,060,393	88.66%	84.62%	5.83%
Sui Northern Gas Pipeline Limited	9,911,246	-	-	-	9,911,246	112,395	1,198,567	1,086,172	11.34%	10.83%	1.56%
Total as at June 30, 2026						1,420,377	10,566,942	9,146,565	100.00%	95.45%	
Total as at June 30, 2025						1,420,377	11,487,814	10,067,437			

5.1.1.1 The above mentioned Class A shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited are blocked / frozen by an order of the Government of Pakistan (GoP) as the same form part of a strategic shareholding under the control of the GoP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, does not apply to the above frozen shares.

5.1.1.2 Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through other comrehensive income'	Note	Class A	
		2026	2025
		--------- Rupees in '000 ---------	
Market value of investments	5.1.1	10,566,942	11,487,814
Less: cost of investments	5.1.1	(1,420,377)	(1,420,377)
		9,146,565	10,067,437
Less: Net unrealised appreciation in the fair value of investments at the beginning of the year		10,067,437	3,757,010
		(920,872)	6,310,427

5.1.2 Class B - At fair value through profit or loss

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Unrealised / (diminution) appreciation as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
									total market value of investments	net assets of the Fund	
	----------(Number of shares)----------					----------(Rupees in '000)----------			---------- (%) ----------		
Automobile Assembler											
Ghandhara Automobiles Limited	299,000	-	-	299,000	-	-	-	-	-	-	-
Ghandhara Industries Limited	207,300	-	-	207,300	-	-	-	-	-	-	-
						-	-	-	-	-	
Cement											
Attock Cement Pakistan Limited	248,967	-	-	248,967	-	-	-	-	-	-	-
Cherat Cement Company Limited	-	39,000	-	-	39,000	14,742	13,491	(1,251)	0.55%	0.53%	0.02%
D.G. Khan Cement Company Limited (note 5.1.3)	620,000	85,000	-	393,500	311,500	52,342	69,549	17,206	2.82%	2.74%	0.07%
Fauji Cement Company Limited (note 5.1.3)	2,300,000	-	-	1,601,000	699,000	31,224	40,227	9,003	1.63%	1.58%	0.03%
Lucky Cement Limited (note 5.1.2.1)-		406,000	-	189,763	216,237	79,587	101,528	21,941	4.12%	4.00%	0.01%
Deewan Cement Limited	-	1,950,000	-	1,950,000	-	-	-	-	-	-	-
Maple Leaf Cement Factory Limited (note 5.1.3)	1,713,000	517,300	-	1,837,000	393,300	36,363	42,048	5,684	1.71%	1.66%	0.04%
Pioneer Cement Company Limited -		25,000	-	25,000	-	-	-	-	-	-	-
						214,259	**266,843**	**52,584**	**10.83%**	**10.51%**	
Commercial Banks											
Askari Bank Limited (note 5.1.3)	1,574,500	1,087,243	-	2,172,743	489,000	35,616	53,902	18,286	2.19%	2.12%	0.03%
Faysal Bank Limited (note 5.1.4)*	17,250	-	-	-	17,250	1,203	1,712	509	0.07%	0.07%	-
Habib Bank Limited - a related party (note 5.1.3)	73,000	526,000	-	213,300	385,700	107,353	112,705	5,353	4.57%	4.44%	0.03%
Samba Bank Limited	-	1,018,548	-	1,018,548	-	-	-	-	-	-	-
MCB Bank Limited - a related party (note 5.1.3)	65,000	55,000	-	-	120,000	38,325	48,661	10,336	1.97%	1.92%	0.01%
The Bank of Punjab	-	1,000,000	-	-	1,000,000	27,795	35,090	7,295	1.42%	1.38%	0.03%
Meezan Bank Limited*	-	55,000	-	-	55,000	27,225	28,405	1,181	1.15%	1.12%	-
National Bank of Pakistan (note 5.1.3)	865,000	185,000	-	652,000	398,000	66,820	79,003	12,183	3.21%	3.11%	0.02%
Allied Bank Limited	-	180,000	-	180,000	-	-	-	-	-	-	-
United Bank Limited (note 5.1.2.1)	-	373,389	-	177,489	195,900	92,431	87,699	(4,732)	3.56%	3.46%	0.01%
						396,767	**447,178**	**50,411**	**18.14%**	**17.62%**	
Fertilizer											
Engro Fertilizers Limited*	-	198,000	-	137,000	61,000	13,103	12,136	(967)	0.49%	0.48%	-
Fatima Fertilizer Company Limited	-	343,000	-	-	343,000	57,107	56,698	(409)	2.30%	2.23%	0.02%
Fauji Fertilizer Company Limited	-	115,000	-	-	115,000	57,998	65,950	7,953	2.68%	2.60%	0.01%
						128,207	**134,784**	**6,577**	**5.47%**	**5.31%**	

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Unrealised / (diminution) appreciation as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
									total market value of investments	net assets of the Fund	
	----------(Number of shares)----------					----------(Rupees in '000)----------			---------- (%) ----------		
Food and Personal Care Products											
At-Tahur Limited	-	340,000	-	340,000	-	-	-	-	-	-	-
Treet Corporation Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
Big Bird Foods Limited	-	400,000	-	-	400,000	18,100	18,412	312	0.75%	0.73%	0.13%
						18,100	**18,412**	**312**	**0.75%**	**0.73%**	
Oil & Gas Exploration Companies											
Mari Energies Limited (note 5.1.3)	191,200	77,000	-	172,000	96,200	64,360	64,867	507	2.63%	2.56%	0.01%
Oil & Gas Development Company Limited (note 5.1.3)	1,048,500	171,000	-	703,000	516,500	119,581	172,960	53,379	7.02%	6.81%	0.01%
Pakistan Petroleum Limited (note 5.1.3)	1,329,500	308,000	-	790,500	847,000	147,339	205,499	58,161	8.34%	8.10%	0.03%
						331,280	**443,326**	**112,046**	**17.99%**	**17.47%**	
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited (note 5.1.3)	456,500	366,500	-	607,700	215,300	84,996	73,708	(11,288)	2.99%	2.90%	0.05%
Sui Northern Gas Pipelines Limited (note 5.1.3)	1,175,000	110,000	-	602,000	683,000	79,910	82,595	2,686	3.35%	3.25%	0.11%
Sui Southern Gas Company Limited	-	670,000	-	670,000	-	-	-	-	-	-	-
						164,906	**156,303**	**(8,602)**	**6.34%**	**6.15%**	
Pharmaceuticals											
BF Biosciences Limited (note 5.1.2.1)	352,431	-	-	352,431	-	-	-	-	-	-	-
Citi Pharma Limited	-	75,000	-	75,000	-	-	-	-	-	-	-
AGP Limited	-	33,000	-	33,000	-	-	-	-	-	-	-
Glaxosmithkline Pakistan Limited	-	76,000	-	45,000	31,000	13,411	11,478	(1,933)	0.47%	0.45%	0.01%
The Searle Company Limited (notes 5.1.4 & 5.1.5)	4,907	387,000	56,236	336,286	111,857	10,802	10,575	(227)	0.43%	0.42%	0.02%
						24,213	**22,053**	**(2,160)**	**0.90%**	**0.87%**	
Engineering											
Aisha Steel Mills Limited	-	700,375	-	700,375	-	-	-	-	-	-	-
International Industries Limited	-	36,000	-	36,000	-	-	-	-	-	-	-
International Steels Limited	-	65,000	-	65,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited	-	482,000	-	372,000	110,000	9,167	9,637	470	0.39%	0.38%	0.03%
						9,167	**9,637**	**470**	**0.39%**	**0.38%**	
Power Generation & Distribution											
Nishat Power Limited	-	300,000	-	-	300,000	23,709	22,053	(1,656)	0.89%	0.87%	0.08%
The Hub Power Company Limited	175,000	350,000	-	200,000	325,000	46,267	75,871	29,604	3.08%	2.99%	0.03%
						69,976	**97,924**	**27,948**	**3.97%**	**3.86%**	
Refinery											
Attock Refinery Limited	160,263	75,000	-	193,263	42,000	33,868	35,728	1,860	1.45%	1.41%	0.04%
National Refinery Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	1,504,500	1,000,000	-	2,504,500	-	-	-	-	-	-	-
						33,868	**35,728**	**1,860**	**1.45%**	**1.41%**	
Technology & Communication											
Pakistan Telecommunication Company Limited	5,173,000	1,750,000	-	6,284,000	639,000	23,399	41,867	18,468	1.70%	1.65%	0.02%
Hum Network Limited (note 5.1.2.1)	-	170,000	-	170,000	-	-	-	-	-	-	-
TPL Corp Limited	-	34,896,947	-	27,947,868	6,949,079	104,172	110,629	6,457	4.49%	4.36%	2.60%
Systems Limited (notes 5.1.2.1 & 5.1.3)	500,000	448,000	-	524,000	424,000	54,661	62,366	7,706	2.53%	2.46%	0.03%
TPL Trakker Limited	15,621,787	2,993,137	-	8,250,329	10,364,595	111,631	222,839	111,208	9.04%	8.78%	5.53%
						293,863	**437,702**	**143,839**	**17.76%**	**17.25%**	

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Unrealised / (diminution) appreciation as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
									total market value of investments	net assets of the Fund	
	----------(Number of shares)----------					----------(Rupees in '000)----------			---------- (%) ----------		
Insurance											
Adamjee Insurance Company Limited	-	235,000	-	235,000	-	-	-	-	-	-	-
TPL Insurance Limited (note 5.1.4)	22,245	400,000	-	20,608	401,637	10,990	11,033	43	0.45%	0.43%	0.20%
TPL Life Insurance Limited	-	5,100,000	-	-	5,100,000	115,230	122,298	7,068	4.96%	4.82%	2.27%
Pakistan Reinsurance Company Limited	-	1,244,000	-	1,244,000	-	-	-	-	-	-	-
						126,220	**133,331**	**7,111**	**5.41%**	**5.25%**	
Textile Spinning											
Nishat Mills Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Tobacco											
Pakistan Tobacco Company Limited*	-	10,462	-	-	10,462	13,877	14,940	1,063	0.61%	0.59%	-
						13,877	**14,940**	**1,063**	**0.61%**	**0.59%**	
Transport											
Pakistan International Bulk Terminal	-	3,500,000	-	1,460,000	2,040,000	28,466	38,923	10,457	1.58%	1.53%	0.11%
Blue-Ex Limited (note 5.1.2.1)	-	500,000	-	500,000	-	-	-	-	-	-	-
						28,466	**38,923**	**10,457**	**1.58%**	**1.53%**	
Property											
TPL Properties Limited	-	25,701,000	-	14,670,238	11,030,762	120,181	118,360	(1,821)	4.80%	4.66%	1.97%
						120,181	**118,360**	**(1,821)**	**4.80%**	**4.66%**	
Inv. Banks / Inv. Cos. / Securities Cos.											
Engro Holding Limited	210,000	88,000	-	97,800	200,200	43,53257,602		14,070	2.34%	2.27%	0.02%
Pakistan Stock Exchange Limited	800,000	200,000	-	410,000	590,000	16,95531,707		14,752	1.29%	1.25%	0.07%
						60,48789,308		**28,821**	**3.63%**	**3.52%**	
Real Estate Investment Trust											
TPL Reit Fund I	-	3,100,000	-	3,100,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Total as at June 30, 2026						**2,033,835**	**2,464,752**	**430,917**	**100.00%**	**97.11%**	
Total as at June 30, 2025						**2,146,061**	**2,363,202**	**217,141**			

* Nil due to rounding off

5.1.2.1 All shares have a nominal value of Rs.10 each except for the shares of the following companies:

Name of the investee company	Nominal value per share as on June 30, 2026
	---- Rupees ----
BF Biosciences Limited	3.00
Hum Network Limited	1.00
Lucky Cement Limited	2.00
United Bank Limited	5.00
Blue-Ex Limited	1.00
Systems Limited	2.00

5.1.2.2 Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	Note	Class B	
		2026	2025
		---------- Rupees in '000 ----------	
Market value of investments	5.1.2	2,464,752	2,363,202
Less: carrying value of investments	5.1.2	(2,033,835)	(2,146,061)
		430,917	217,141

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the Securities and Exchange Commission of Pakistan. The details of the shares which have been pledged are as follows:

	2026		2025	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Habib Bank Limited	10,000	2,922	-	-
Askari Bank Limited	10,000	1,102	-	-
National Bank of Pakistan	110,000	21,835	110,000	11,956
MCB Bank Limited	17,000	6,894	-	-
Fauji Cement Company Limited	660,000	37,983	1,020,000	45,563
D.G. Khan Cement Company Limited	37,000	8,261	-	-
Maple Leaf Cement Factory Limited	370,000	39,557	770,000	64,896
Mari Energies Limited	90,000	60,686	126,000	78,988
Oil and Gas Development Company Limited	428,000	143,324	428,000	94,400
Pakistan Petroleum Limited	327,000	79,337	327,000	55,646
Pakistan State Oil Company Limited	152,500	52,208	252,500	95,326
Pakistan Refinery Limited	-	-	367,000	12,452
Systems Limited	30,000	4,413	-	-
Sui Northern Gas Pipelines Limited	400,000	48,372	500,000	58,355
	2,641,500	506,894	3,900,500	517,582

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only be released if the Fund deposit tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ended June 30, 2019, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on the stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

Name of the company	2026		2025	
	Bonus shares			
	Number of shares withheld	Market value as at June 30, 2026	Number of shares withheld	Market value as at June 30, 2025
		Rupees in '000		Rupees in '000
	Class A			
Pakistan State Oil Company Limited	228,041	78,070	228,041	86,092
	Class B			
The Searle Company Limited	4,907	464	4,907	414
TPL Insurance Limited	1,637	45	1,637	15
Faysal Bank Limited	17,250	1,712	17,250	1,018
	23,794	2,221	23,794	1,447

5.1.5 During the year, The Searle Company Limited has withheld 6,286 shares from the bonus shares issued to the Fund. The market value of the bonus shares withheld amounts to Rs. 0.59 million as at June 30, 2026. The Fund has written off this amount from investments.

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
6	**DIVIDEND AND PROFIT RECEIVABLE**	**Note**	Rupees in '000				
	Dividend receivable		16,248	253	16,501	13,968	202	14,170
	Profit receivable on savings accounts with banks	6.1	5,844	8,639	14,483	18,873	8,840	27,713
			22,092	8,892	30,984	32,841	9,042	41,883

6.1 These include a profit receivable amounting to Rs. 5.84 million (2025: 1.99 million) from HBL Microfinance Bank Limited (a related party) and Rs. 8.09 million (2025: Rs. 21.70 million) from MCB Bank Limited (a related party).

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
7	**ADVANCE, DEPOSITS AND OTHER RECEIVABLES**	**Note**	Rupees in '000				
	Security deposits with:						
	- Central Depository Company of Pakistan Limited		-	175	175	-	175	175
	- National Clearing Company of Pakistan Limited		100	2,748	2,848	100	2,749	2,849
	Advance tax	7.1	1,113	1,907	3,020	1,113	1,907	3,020
	Other receivables		-	370	370	-	-	-
			1,213	5,200	6,413	1,213	4,831	6,044

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding taxes on dividends and profit on savings accounts with banks paid to the Fund were deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The tax withheld on dividends and profit on savings accounts with banks amounts to Rs. 3.02 million (2025: Rs. 3.02 million).

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit on savings accounts with banks has been shown as an 'Advance tax' as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will likely to be refunded.

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
8	**PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY**	**Note**	**Rupees in '000**				
	Remuneration payable	8.1	9,373	6,141	15,514	9,920	7,151	17,071
	Sindh sales tax payable on remuneration of the Management Company	8.2	1,406	921	2,327	1,488	1,073	2,561
			10,779	7,062	17,841	11,408	8,224	19,632

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document and subject to a capping of 3.00% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.00% and 3.00% (2025: 1.00% to 1.75% and 3.00 to 3.75%) per anum of the average daily net assets of the Fund for Class A and Class B respectively during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

8.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Management Company and any reimbursable expenditure to the Management Company.

8.3 The SECP, vide S.R.O.600(I)2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services was excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expense for the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company charged expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.55% and 0.70% per annum of the daily net assets of Fund for Class A and Class B respectively.

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
9	**PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE**	**Note**	**Rupees in '000**				
	Remuneration payable to the Trustee	9.1	1,772	474	2,246	1,094	275	1,369
	Sindh sales tax payable on remuneration of the Trustee	9.2	266	71	337	164	41	205
	CDS charges payable		1,020	47	1,067	-	47	47
			3,058	592	3,650	1,258	363	1,621

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets	**Fee**
- Up to Rs. 1 billion	0.02% per annum of the net assets.
- Over Rs. 1 billion	Rs. 2 million plus 0.10% per annum of net assets, on amount exceeding Rs.1

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
10	**PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**	**Note**	**(Rupees in '000)**				
	Fee payable	10.1	890	193	1,083	942	183	1,125

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay a non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged a SECP fee at the rate of 0.095% (2025: 0.095%) per annum of the daily net assets of the Fund during the year. The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
11	**ACCRUED EXPENSES AND OTHER LIABILITIES**	**Note**	**Rupees in '000**				
	Federal excise duty payable on remuneration of the Management Company	11.1	-	125,303	125,303	-	125,303	125,303
	Brokerage expense payable		-	2,978	2,978	-	526	526
	Auditor's remuneration payable		911	250	1,161	868	306	1,174
	National Clearing Company Pakistan Limited charges payable		-	62	62	-	106	106
	Withholding tax payable		2,805	6,478	9,283	1,394	3,411	4,805
	Zakat payable		2,177	43	2,220	2,177	137	2,314
	Listing fee payable		882	-	882	-	-	-
	Capital gain tax payable		-	395	395	-	-	-
	Other payables		473	1,144	1,617	93	1,189	1,282
			7,248	136,653	143,901	4,532	130,978	135,510

11.1 The Finance Act, 2013 enlarged the scope of federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16% on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 125.30 million (2025: Rs. 125.30 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the net asset value per unit of the Fund for Class B would have been higher by Rs. 2.19 (2025: Rs. 1.66).

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments outstanding as at June 30, 2026 and June 30, 2025.

13 AUDITOR'S REMUNERATION

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
Annual audit fee	495	113	608	480	127	607
Half yearly review	378	87	465	320	85	404
Certifications and other services	236	54	290	184	36	220
Out of pocket expenses and Sindh sales tax	209	48	257	196	98	294
	1,318	302	1,620	1,180	345	1,525

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holder in the manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 4.5% for a collective investment scheme categorised as an "Equity Scheme", applicable previously, has been replaced with the management fee cap which has been disclosed in Note 8.1 to these financial statements.

16 NUMBER OF UNITS IN ISSUE

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
Units in issue at the beginning of the year	283,500,000	75,415,306	358,915,306	283,500,000	69,414,008	352,914,008
Units issued during the year	-	24,188,655	24,188,655	-	46,581,236	46,581,236
Units redeemed during the year	-	42,388,146	42,388,146	-	40,579,938	40,579,938
Total units in issue at the end of the year	283,500,000	57,215,815	340,715,815	283,500,000	75,415,306	358,915,306

17 TRANSACTION AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee / custodian of the Fund, HBL Microfinance Bank Limited being an associated company of the Management Company, other collective investment schemes / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part of and directors or officers of the Management Company or any of their connected persons as specified herein.

Transactions with connected persons essentially comprise issuance and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at the terms determined in accordance with market rates.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Offering Document, respectively.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of the transactions with connected persons / related parties and balances with them are as follows:

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
17.1 Transactions during the year	Rupees in '000					
HBL Asset Management Limited - Management Company						
Remuneration of the Management Company (including Sindh sales tax thereon)	150,169	87,478	237,648	133,179	87,140	220,319
Allocation of expenses related to registrar services, accounting, operation and valuation services (including Sindh sales tax thereon)	-	-	-	6,831	2,377	9,208
Habib Bank Limited - Sponsor						
Dividend income	-	8,650	8,650	-	1,134	1,134
Shares purchased during the year: 526,000 (2025: 696,875) shares	-	151,339	151,339	-	96,360	96,360
Shares sold during the year: 213,300 (2025: 920,875) shares	-	62,341	62,341	-	126,926	126,926
HBL Microfinance Bank Limited (formerly: The First Microfinance Bank) - Associated Company						
Profit on savings accounts with banks	46,588	613	47,201	49,625	2,923	52,548
MCB Bank Limited - Treasury - connected person due to holding more than 10% units						
Dividend paid	28,699	-	28,699	45,657	-	45,657
Dividend income	-	3,825	3,825	-	-	-
Shares purchased during the year: 55,000 (2025: 65,000) shares	-	19,583	19,583	-	18,135	18,135
Profit on savings accounts with banks	-	19,836	19,836	-	15,612	15,612
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	14,739	3,045	17,784	11,851	2,551	14,402
CDS charges	-	488	488	-	549	549

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% units						
Issuance of nil (2025: 29,320) units	-	-	-	-	998	998
Dividend paid	20,068	7,515	27,583	31,927	21,750	53,677
State Life Corporation of Pakistan - connected person due to holding more than 10% units						
Sale of 12,024,904 (2025: Nil) units	120,249	-	120,249	-	-	-
Issuance of nil (2025: 98,330) units	-	-	-	-	3,096	3,096
Redemption of 12,482,993 (2025: Nil) units		479,940	479,940	-	-	-
Dividend paid	-	-	-	12,626	-	12,626
CDC - Trustee National Investment (Unit) Trust - Associated Undertaking						
Dividend paid	4,268	-	4,268	6,790	-	6,790
Jubilee General Insurance Company Limited - Associated Company						
Issuance of 1,101 (2025: 236) units	-	78	78	-	8	8
Directors and Executives of the Management Company						
Issuance of 1,243,642 (2025: 165,980) units	-	46,695	46,695	-	5,458	5,458
Redemption of 1,197,126 (2025: 165,941) units	-	47,344	47,344	-	5,256	5,256
Dividend paid	-	-	-	19	5	24

17.2 Balances outstanding as at year end

HBL Asset Management Company Limited - Management Company						
Remuneration payable	9,373	6,141	15,514	9,920	7,151	17,071
Sindh sales tax payable on remuneration of the Management Company	1,406	921	2,327	1,488	1,073	2,561
Receivable from HBL Asset Management Limited - Management Company	-	-	-	-	9,199	9,199
Habib Bank Limited - Sponsor						
Bank balance	-	2,309	2,309	-	2,309	2,309
Investment in shares: 385,700 (2025: 73,000) shares	-	112,705	112,705	-	13,081	13,081

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
HBL Microfinance Bank Limited (formerly: The First Microfinance Bank) - Associated Company						
Bank balance	732,544	415	732,959	798,319	51,664	849,983
Profit receivable on savings accounts with banks	5,844	-	5,844	1,872	123	1,995
Central Depository Company of Pakistan Limited - Trustee						
Remuneration payable to the Trustee	1,772	474	2,246	1,094	275	1,369
Sindh sales tax payable on remuneration of the Trustee	266	71	337	164	41	205
Security deposit	-	175	175	-	175	175
CDS charges payable	1,020	47	1,067	-	47	47
Pakistan Reinsurance Company Limited - Connected person - due to holding more than 10% units						
Outstanding: 30,406,721 (2025: 30,406,721) units	1,187,392	-	1,187,392	1,285,806	-	1,285,806
Outstanding: 15,029,320 (2025: 15,029,320) units	-	666,684	666,684	-	474,624	474,624
State Life Corporation of Pakistan - connected person due to holding more than 10% units						
Outstanding: Nil (2025: 12,024,904) units	-	-	-	508,496	-	508,496
Outstanding: Nil (2025: 12,482,993) units	-	-	-	-	394,211	394,211
MCB Bank Limited - Treasury - connected person due to holding more than 10% units						
Bank balance	6	201,187	201,193	4	180,373	180,377
Profit receivable on savings accounts with banks	-	8,086	8,086	13,844	7,860	21,704
Investment in shares: 120,000 (2025: 65,000) shares	-	48,661	48,661	-	18,742	18,742
Outstanding: 43,482,858 (2025: 43,482,858) units	1,698,019	-	1,698,019	1,838,756	-	1,838,756
CDC - Trustee National Investment (Unit) Trust - Associated Undertaking						
Outstanding: 6,466,800 (2025: 6,466,800) units	252,530	-	252,530	272,615	-	272,615

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
Jubilee General Insurance Company Limited - Associated Company						
Outstanding: 156,842 (2025: 155,741) units	-	6,957	6,957	-	4,918	4,918
Directors and Executives of the Management Company						
Outstanding:18,000 (2025: 18,000) units	703	-	703	761	-	761
Outstanding: 65,582 (2025: 19,066) units	-	2,909	2,909	-	602	602

18 FINANCIAL INSTRUMENTS BY CATEGORY

	Class A		
	As on June 30, 2026		
	At amortised cost	At fair value through other comprehen-sive income	Total
	Rupees in '000		
Financial assets			
Bank balances	733,776	-	733,776
Investments	-	10,566,942	10,566,942
Dividend and profit receivable	22,092	-	22,092
Deposit	100	-	100
	755,968	10,566,942	11,322,910
Financial liabilities			
Payable to the HBL Asset Management Limited - Management Company	10,779	-	10,779
Payable to Central Depository Company of Pakistan Limited - Trustee	3,058	-	3,058
Accrued expenses and other liabilities	2,266	-	2,266
Dividend payable	231,296	-	231,296
	247,399	-	247,399

	Class B		
	As on June 30, 2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	258,352	-	258,352
Investments	-	2,464,752	2,464,752
Dividend and profit receivable	8,892	-	8,892
Deposits and other receivables	3,294	-	3,294
Receivable against sale of investments	83,324	-	83,324
	353,863	2,464,752	2,818,615

	Class B		
	As on June 30, 2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial liabilities			
Payable to the HBL Asset Management Limited - Management Company	7,062	-	7,062
Payable to Central Depository Company of Pakistan Limited - Trustee	592	-	592
Accrued expenses and other liabilities	4,434	-	4,434
Dividend payable	6,497	-	6,497
Unclaimed dividend	131,493	-	131,493
	150,078	-	150,078

	Class A		
	As on June 30, 2025		
	At amortised cost	At fair value through other comprehen-sive income	Total
	Rupees in '000		
Financial assets			
Bank balances	807,048	-	807,048
Investments	-	11,487,814	11,487,814
Dividend and profit receivable	32,841	-	32,841
Deposit	100	-	100
	839,989	11,487,814	12,327,803
Financial liabilities			
Payable to the HBL Asset Management Limited - Management Company	11,408	-	11,408
Payable to Central Depository Company of Pakistan Limited - Trustee	1,258	-	1,258
Accrued expenses and other liabilities	961	-	961
Dividend payable	322,435	-	322,435
	336,062	-	336,062

	Class B		
	As on June 30, 2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	270,529	-	270,529
Investments	-	2,363,202	2,363,202
Dividend and profit receivable	9,042	-	9,042
Deposits	2,924	-	2,924
Receivable from HBL Asset Management Limited - Management Company	9,199	-	9,199
	291,694	2,363,202	2,654,896

	Class B		
	As on June 30, 2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Financial liabilities			
Payable to the HBL Asset Management Limited - Management Company	8,224	-	8,224
Payable to Central Depository Company of Pakistan Limited - Trustee	363	-	363
Accrued expenses and other liabilities	2,127	-	2,127
Dividend payable	3,958	-	3,958
Unclaimed dividend	131,493	-	131,493
	146,165	-	146,165

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; yield / interest rate risk, currency risk and price risk.

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds balances with banks which expose the Fund to cash flow interest rate risk. In the case of a 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net profit and net assets of the Class A for the year ended would have been higher / lower by Rs. 7.34 million (2025: Rs. 8.07 million) and the net profit and net assets of the Class B for the year ended would have been higher / lower by Rs. 2.58 million (2025: Rs. 2.71 million).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's yield / interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 and June 30, 2025 can be determined as follows:

	As at June 30, 2026				
		Exposed to yield / interest rate risk			
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
CLASS A						
On-balance sheet financial instruments	%	Rupees in '000				
Financial assets						
Bank balances	7.93% to 11.80%	733,776	-	-	-	733,776
Investments		-	-	-	10,566,942	10,566,942
Dividend and profit receivable		-	-	-	22,092	22,092
Deposit		-	-	-	100	100
		733,776	-	-	10,589,134	11,322,910
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	10,779	10,779
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	3,058	3,058
Accrued expenses and other liabilities		-	-	-	2,266	2,266
Dividend payable		-	-	-	231,296	231,296
		-	-	-	247,399	247,399
On-balance sheet gap (a)		733,776	-	-	10,341,735	11,075,511
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		733,776	-	-		
Cumulative interest rate sensitivity gap		733,776	733,776	733,776		
CLASS B						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.93% to 11.80%	258,352	-	-	-	258,352
Investments		-	-	-	2,464,752	2,464,752
Dividend and profit receivable		-	-	-	8,892	8,892
Deposits and other receivables		-	-	-	3,294	3,294
Receivable against sale of investments		-	-	-	83,324	83,324
		258,352	-	-	2,560,262	2,818,615
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	7,062	7,062
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	592	592
Accrued expenses and other liabilities		-	-	-	4,434	4,434
Dividend payable		-	-	-	6,497	6,497
Unclaimed dividend		-	-	-	131,493	131,493
		-	-	-	150,078	150,078
On-balance sheet gap (a)		258,352	-	-	2,410,184	2,668,536
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		258,352	-	-		
Cumulative interest rate sensitivity gap		258,352	258,352	258,352		

	As at June 30, 2025					
		Exposed to yield / interest rate risk				
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
CLASS A						
On-balance sheet financial instruments	%	Rupees in '000				
Financial assets						
Bank balances	7.48% to 11.25%	807,048	-	-	-	807,048
Investments		-	-	-	11,487,814	11,487,814
Dividend and profit receivable		-	-	-	32,841	32,841
Deposit		-	-	-	100	100
		807,048	-	-	11,520,755	12,327,803
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	11,408	11,408
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,258	1,258
Accrued expenses and other liabilities		-	-	-	961	961
Dividend payable		-	-	-	322,435	322,435
		-	-	-	336,062	336,062
On-balance sheet gap (a)		807,048	-	-	11,184,693	11,991,741
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		807,048	-	-		
Cumulative interest rate sensitivity gap		807,048	807,048	807,048		
CLASS B						
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.48% to 11.25%	270,529	-	-	-	270,529
Investments		-	-	-	2,363,202	2,363,202
Dividend and profit receivable		-	-	-	9,042	9,042
Deposits		-	-	-	2,924	2,924
Receivable from HBL Asset Management Limited - Management Company		-	-	-	9,199	9,199
		270,529	-	-	2,384,367	2,654,896
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	8,224	8,224
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	363	363
Accrued expenses and other liabilities		-	-	-	2,127	2,127
Dividend payable		-	-	-	3,958	3,958
Unclaimed dividend		-	-	-	131,493	131,493
		-	-	-	146,165	146,165
On-balance sheet gap (a)		270,529	-	-	2,238,202	2,508,731
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		270,529	-	-		
Cumulative interest rate sensitivity gap		270,529	270,529	270,529		

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

In the case of a 1% increase / decrease in the fair value of the Fund's Class A equity securities on June 30, 2026, net assets of the Fund would have increased / decreased by Rs. 105.67 million (2025: Rs. 114.88 million) as a result of gains / losses on equity securities in 'at fair value through other comprehensive income' category, with corresponding effect on other comprehensive income reported in the 'Statement of comprehensive income'.

In the case of a 1% increase / (decrease) in the fair value of the Fund's Class B equity securities on June 30, 2026, net assets of the Fund would have increased / (decreased) by Rs. 24.65 million (2025: Rs. 23.63 million).

The analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents the management company's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of KSE 100 Index.

19.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC regulations, the fund can borrow in the short term to ensure settlement subject to the minimum limit which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the fund. However no borrowing was required to be obtained by the fund during the year ended June 30, 2026.

The Fund has a policy to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off. The Fund's listed securities are considered readily realisable, as these are listed on the Pakistan Stock Exchange Limited.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand including balances with banks have been included in the maturity grouping of one month:

	Class A						
	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	10,779	-	-	-	-	-	10,779
Payable to Central Depository Company of Pakistan Limited - Trustee	3,058	-	-	-	-	-	3,058
Accrued expenses and other liabilities	1,355	911	-	-	-	-	2,266
Dividend payable	231,296	-	-	-	-	-	231,296
	246,488	911	-	-	-	-	247,399

	Class B						
	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	7,062	-	-	-	-	-	7,062
Payable to Central Depository Company of Pakistan Limited - Trustee	592	-	-	-	-	-	592
Accrued expenses and other liabilities	4,184	250	-	-	-	-	4,434
Dividend payable	6,497	-	-	-	-	-	6,497
Unclaimed dividend	131,493	-	-	-	-	-	131,493
	149,828	250	-	-	-	-	150,078

	Class A						
	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	11,408	-	-	-	-	-	11,408
Payable to Central Depository Company of Pakistan Limited - Trustee	1,258	-	-	-	-	-	1,258
Accrued expenses and other liabilities	93	868	-	-	-	-	961
Dividend payable	322,435	-	-	-	-	-	322,435
	335,194	868	-	-	-	-	336,062

	Class B						
	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Financial liabilities	Rupees in '000						
Payable to HBL Asset Management Limited - Management Company	8,224	-	-	-	-	-	8,224
Payable to Central Depository Company of Pakistan Limited - Trustee	363	-	-	-	-	-	363
Accrued expenses and other liabilities	1,821	306	-	-	-	-	2,127
Dividend payable	3,958	-	-	-	-	-	3,958
Unclaimed dividend	131,493	-	-	-	-	-	131,493
	145,859	306	-	-	-	-	146,165

19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from bank balances, profit receivable on savings accounts with banks, receivable against sale of investments and dividend receivable.

Credit risk arising on financial assets s monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quaterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
CLASS A	Rupees in '000			
Bank balances	733,776	733,776	807,048	807,048
Investments	10,566,942	-	11,487,814	-
Dividend and profit receivable	22,092	22,092	32,841	32,841
Deposit	100	100	100	100
	11,322,910	755,968	12,327,803	839,989

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
CLASS B	Rupees in '000			
Bank balances	258,352	258,352	270,529	270,529
Investments	2,464,752	-	2,363,202	-
Dividend and profit receivable	8,892	8,892	9,042	9,042
Deposits and other receivables	3,293	3,293	2,924	2,924
Receivable against sale of investments	83,324	83,324	-	-
Receivable from HBL Asset Management Limited - Management Company	-	-	9,199	9,199
	2,818,614	353,862	2,654,896	291,694

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in equity securites, however, are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

19.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its bank balances and profit receivable on savings accounts with banks thereon. The credit rating profile of bank balances is as follows:

	Class A		Class B	
	2026	2025	2026	2025
	--------- % ---------		--------- % ---------	
AAA	99.89%	0.96%	94.52%	68.43%
AA+*	-	0.00%	-	-
AA	0.09%	0.02%	5.45%	0.02%
AA-	-	2.12%	-	12.16%
A+	-	96.88%	0.01%	19.37%
A*	-	-	-	-
A-	0.02%	-	0.02%	-
B	-	0.01%	-	0.02%
	100.00%	100.00%	100.00%	100.00%

*Nil due to rounding off

19.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified and transactions are entered into with diverse credit worthy counter parties thereby mitigating any significant concentrations of credit risk.

The Fund does not have any collateral against any of the aforementioned assets.

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair value measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair values:

	Note	2026			
		Level 1	Level 2	Level 3	Total
Class A		(Rupees in '000)			
At fair value through other comprehensive income					
Quoted equity securities	5.1.1	10,566,942	-	-	10,566,942
Class B					
At fair value through profit or loss					
Quoted equity securities	5.1.2	2,464,752	-	-	2,464,752

	Note	2025			
		Level 1	Level 2	Level 3	Total
		(Rupees in '000)			
Class A					
At fair value through other comprehensive income					
Quoted equity securities	5.1.1	11,487,814	-	-	11,487,814
Class B					
At fair value through profit or loss					
Quoted equity securities	5.1.2	2,363,202	-	-	2,363,202

Valuation technique used in determination of fair values is as follows:

Item	Valuation technique
Quoted equity securites	The fair value of investments in quoted equity securites is valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.

There were no transfers between levels during the year.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movements in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 19, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

22 UNIT HOLDING PATTERN OF THE FUND

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
	Class A - 2026			
			Rupees in '000'	
Individuals	8,429	152,281,715	5,946,647	53.71%
Associated Companies and Directors	2	6,484,800	253,233	2.29%
Insurance Companies	3	30,420,721	1,187,930	10.73%
Banks and Development Financial Institutions	13	64,059,051	2,501,525	22.60%
NBFCs	11	11,721,017	457,709	4.13%
Others	67	18,532,696	723,707	6.54%
	8,525	283,500,000	11,070,752	100.00%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
	Class B - 2026			
			Rupees in '000'	
Individuals	8,269	37,389,575	1,658,560	65.35%
Associated Companies and Directors	2	157,368	6,981	0.28%
Insurance Companies	4	15,058,569	667,982	26.32%
Banks and Development Financial Institutions	6	16,092	714	0.03%
Retirement Funds	6	2,723,912	120,830	4.76%
Public Limited Companies	5	33,109	1,469	0.06%
Others	75	1,837,189	81,496	3.21%
	8,368	57,215,815	2,538,030	100.00%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
	Class A - 2025			
			Rupees in '000'	
Individuals	8,307	148,863,329	6,294,971	52.51%
Associated Companies and Directors	2	6,484,800	274,222	2.29%
Insurance Companies	5	43,558,033	1,841,935	15.36%
Banks and Development Financial Institutions	11	51,783,489	2,189,764	18.27%
Others	66	32,703,237	1,382,919	11.54%
	8,399	283,500,000	11,988,341	100.00%

Category	Class B 2025			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total (%)
			Rupees in '000'	
Individuals	8,443	37,367,005	1,180,044	49.55%
Associated Companies and Directors	3	175,458	5,541	0.23%
Insurance Companies	5	27,541,357	869,752	36.52%
Banks and Development Financial Institutions	6	15,973	504	0.02%
Retirement Funds	6	1,995,575	63,020	2.65%
Public Limited Companies*	2	99	3	-
Others	79	8,319,839	262,739	11.03%
	8,544	75,415,306	2,381,604	100.00%

*Nil figure due to rounding off

23 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID

2026	2025
Name of broker	Name of broker
A.H.M. Securities (Private) Limited	Intermarket Securities Limited
Aba Ali Habib Securities (Private) Limited	Arif Habib Limited
Adam Securities Limited	Integrated Equities Limited
AKD Securities Limited	JS Global Capital Limited
Akik Capital (Private) Limited	Ktrade Securities Limited
AL Habib Capital Markets (Private) Limited	Next Capital Limited
Alpha Capital (Private) Limited	DJM Securities Limited
Amanah Investments Limited	Chase Securities Pakistan (Private) Limited
Arif Habib Limited	Sherman Securities (Private) Limited
BMA Capital Management Limited	AKD Securities Limited

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. No.	Name	Designation	Qualification	Overall experience
1	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27+ years
2	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	28+ years
3	Mr. Amin Mohammad	Chief Risk Officer	MBA	33+ years
4	Mr. Wasim Akram	Senior Fund Manager	MBA	22+ years
5	Mr. Sunny Kumar	Head of Equities	B. Com	8+ years

25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S. No.	Name of director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3	Mr. Rayomond H. Kotwal*	6	5	1	December 22, 2025
4	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
5	Mr. Tariq Masaud	9	8	1	October 30, 2025
6	Mr. Mir Adil Rashid	9	9	-	-
7	Mr. Ifran Ahmed Meer**	3	2	1	April 29, 2026
8	Mr. Khalid Malik	9	9	-	-
9	Dr. Sahar Awan**	3	3	-	-
10	Mr. Habib Yousuf Habib*	3	3	-	-
11	Ms. Sheeza Ahmed	9	9	-	-

*Mr. Rayomond H. Kotwal and Mr. Habib Yousuf Habib resigned on April 06, 2026 and November 27, 2025 respectively.

**Mr. Irfan Ahmed Meer and Dr. Sahar Awan appointed on April 08, 2026.

26 GENERAL

26.1 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

26.2 Figures have been rounded off to the nearest thousand rupees.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on **August 27, 2026**.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Investment Fund

FUND INFORMATION

NAME OF FUND	HBL Investment Fund
NAME OF AUDITOR	A.F. Ferguson & Co.
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited
BANKERS	Allied Bank limited Habib Bank Limited Habib Metro Bank Limited HBL Micro Finance Bank Limited JS Bank Limited Khushali Micro Finance Bank Limited MCB Bank Limited Mobillink Micro Finance Bank Limited National Bank Limited Soneri Bank limited U Micro Finance Bank Limited Zarai Taraqiati Bank Limited

Type and Category of Fund

Equity / Open-end

Investment Objective and Accomplishment of Objective

The objective of HBL Investment Fund is to maximize the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations. The Collective Investment Scheme achieved its stated objective.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is KSE-100 Index.

Month	Return of Fund	
	HBL-IF - A	Benchmark
Jun-26	6.18%	2.97%
May-26	9.06%	6.73%
Apr-26	11.32%	9.58%
Mar-26	-13.27%	-11.50%
Feb-26	-12.08%	-8.75%
Jan-26	5.95%	5.81%
Dec-25	7.45%	4.43%
Nov-25	1.60%	3.12%
Oct-25	-2.69%	-2.33%
Sept-25	13.88%	11.36%
Aug-25	7.20%	6.62%
Jul-25	5.20%	10.96%

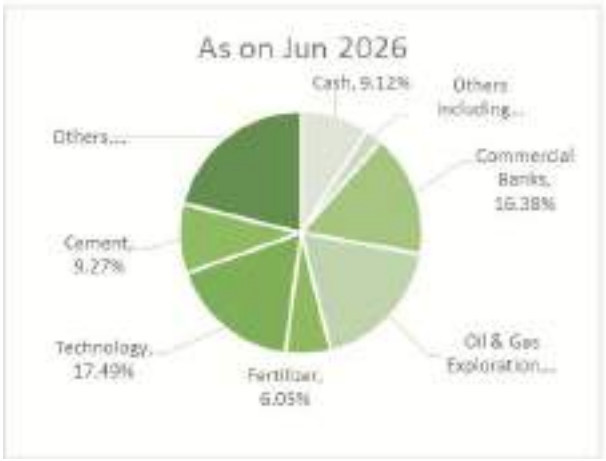
Month	Return of Fund	
	HBL-IF - A	Benchmark
Jun-26	-2.22%	2.97%
May-26	-0.23%	6.73%
Apr-26	8.14%	9.58%
Mar-26	-14.44%	-11.50%
Feb-26	-16.55%	-8.75%
Jan-26	-0.83%	5.81%
Dec-25	3.98%	4.43%
Nov-25	0.36%	3.12%
Oct-25	-3.01%	-2.33%
Sept-25	17.26%	11.36%
Aug-25	3.27%	6.62%
Jul-25	1.95%	10.96%

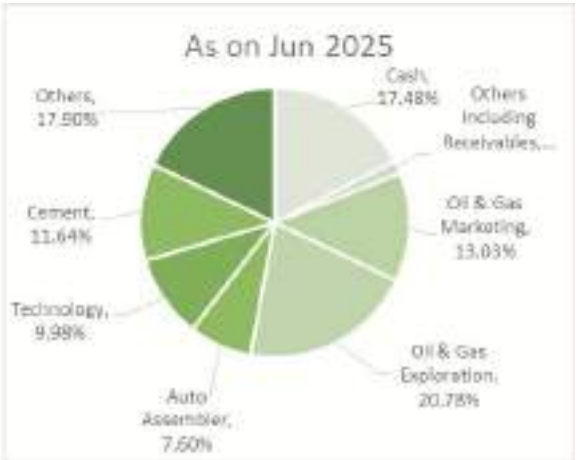
Strategies and Policies employed during the Year

During the year under review, the Fund increased its exposure in equities for investment fund B and A from 80.93% and 92.25% as on June 30, 2025 to 88.59% and 93.78% as on June 30, 2026 respectively. Furthermore, for Investment fund B, sector-wise allocation was continuously reviewed and revisited throughout the year to ensure optimum return to the investors. Accordingly, exposure in commercial banks, technology, fertilizer and others has increased, while exposure in oil and gas exploration, oil and gas marketing, autos and cement has decreased.

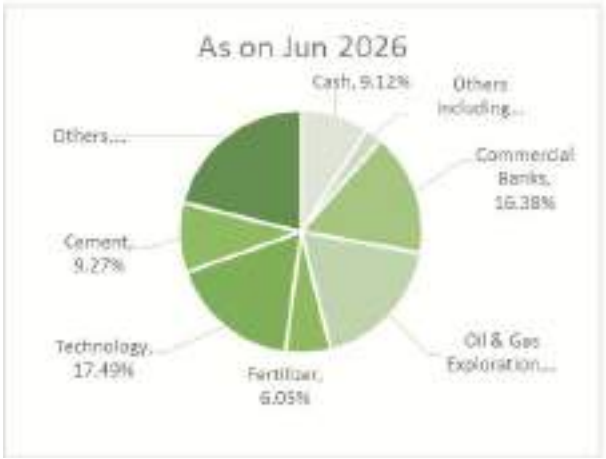
Asset Allocation

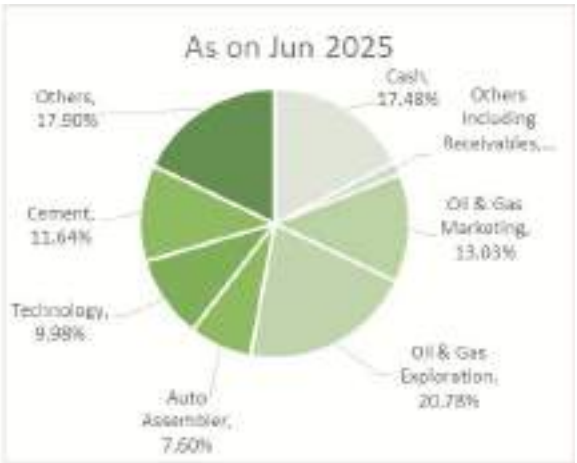
HBL Investment Fund - B





HBL Investment Fund - A





Significant Changes in Asset Allocation during the Year
The following table shows a comparison of top sector wise allocation of equity investments in the Fund as on June 30, 2026 and June 30, 2025.

HBL Investment Fund - B

Sector Name	As on Jun 2026	As on Jun 2025
Cash	9.12%	17.48%
Others Including Receivables	2.29%	1.59%
Commercial Banks	16.38%	0.00%
Oil & Gas Marketing	0.00%	13.03%
Oil & Gas Exploration	18.27%	20.78%
Auto Assembler	0.00%	7.60%
Fertilizer	6.05%	0.00%
Technology	17.49%	9.98%
Cement	9.27%	11.64%
Others	21.13%	17.90%
Total	**100.00%**	**100.00%**

HBL Investment Fund - A

Sector Name	As on Jun 2026	As on Jun 2025
Cash	5.79%	7.52%
Others Including Receivables	0.43%	0.23%
Oil & Gas Marketing	93.78%	92.25%
Total	**100.00%**	**100.00%**

Fund Performance

HBL Investment Fund

The Fund as a whole earned a total and net income of Rs. 576.04 million and Rs. 456.11 million respectively during the year under review. The fund size of the fund stood at Rs. 5.25 billion as on June 30, 2026.

Performance review of each class is presented below:

HBL Investment Fund - Class 'A'

HBL Investment Fund - Class 'A' earned a total income and net income of Rs. 131.60 million and Rs. 61.88 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'A' was Rs. 13.9907 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.21 per unit) as compared to Rs. 15.2131 as at June 30, 2025, thereby giving a negative return of 6.67%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'A' was Rs. 3.98 billion as on June 30, 2026 as compared to Rs. 4.32 billion at the start of the year.

HBL Investment Fund - Class 'B'

HBL Investment Fund - Class 'B' earned a total and net income of Rs. 444.45 million and Rs. 394.23 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Class 'B' was Rs. 20.7215 per unit as on June 30, 2026 (after incorporating dividend of Rs. 0.18 per unit) as compared to Rs. 14.7076 as at June 30, 2025, thereby giving a return of 42.08%. During the year the benchmark KSE 100 index yielded a return of 49.38%. The size of Class 'B' was Rs. 1.28 billion as on June 30, 2026 as compared to Rs. 0.93 billion at the start of the year.

Review of Market invested in

During FY2026, Pakistan's equity market maintained a strong upward trajectory, driven by improved liquidity, significant monetary easing, and a stable external account. The benchmark KSE-100 Index closed at 180,301.70 points, posting a robust gain of 54,674.39 points (43.5%). The strong performance reflected improved investor sentiment and reaffirmed equities as a preferred investment avenue amid improving macroeconomic conditions.

Market activity also improved, with average daily trading volume of the KSE All-Share Index rising to 911 million shares (up 44% from 633 million shares in the same period last year). Average daily traded value surged 51% to PKR 42.5 billion, up from PKR 28.15 billion.

The sectors that majorly contributed to the performance were Commercial Banks, Fertilizer, Oil & Gas Exploration Companies, and Cements. Script-wise, major contribution came from FFC, UBL, HUBC, ENGROH, and MEBL.

Going forward, the equity market is expected to maintain its positive trajectory, supported by a stable external position, continued macroeconomic consolidation, adequate market liquidity, and the prospect of a stable-to-accommodative monetary stance. A sustained recovery in corporate earnings and easing inflation should further support valuation stability over the medium term.

However, risks remain. Market direction will stay sensitive to escalating geopolitical tensions between Iran and the United States, particularly any disruption to the Strait of Hormuz. As a critical chokepoint for global energy supplies, any flare-up could push international oil prices higher, pressure the import bill, reignite inflation, and weigh on the external account and overall market sentiment. Barring a significant escalation, the broader backdrop remains constructive for equities.

Distribution

The Board of Directors approved Rs. 0.21 dividend per unit to the unit holders for the year ended June 30, 2026 from HBL Investment Fund Class 'A'.

The Board of Directors approved distribution of up-to Rs. 0.18 per unit for the year ended June 30, 2026 from HBL Investment Fund Class 'B'.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review

Breakdown of Certificate Holding by Size

From - To (No. of Certificates)	No. of Certificate Holders (Class 'A' Units)	Total No. of Certificates Held (Class 'A' Units)	No. of Certificate Holders (Class 'B' Units)	Total No. of Certificates Held (Class 'B' Units)
1 - 100	3,447	205,443	2,812	124,954
101 - 500	6,815	1,731,002	6,594	1,460,222
501 - 1,000	2,187	1,610,315	2,463	1,563,556
1,001 - 10,000	2,539	8,278,462	2,570	6,509,480
10,001 - 100,000	592	18,972,409	377	9,357,846
100,001 - 500,000	88	19,157,542	47	8,268,926
500,001 - 1,000,000	28	20,739,562	3	2,013,156
1,000,001 -5,000,000	17	46,961,816	6	10,916,677
5,000,001 and above	10	166,468,449	3	21,317,393
Total	**15,723**	**284,125,000**	**14,875**	**61,532,210**

Certificate Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Certificate Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL INVESTMENT FUND

As at June 30, 2026

	2026		2025		2024		2023		2022		2021	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Net assets at the period end(Rs'000)	3,975,118	1,275,038	4,322,415	928,620	2,019,085	694,215	1,392,100	451,234	1,998,102	713,289	2,492,208	1,386,597
NET ASSETS VALUE PER UNIT/CERTIFICATE AT 30 JUNE - RUPEES	13.9907	20.7215	15.2131	14.7076	7.1063	10.3650	4.8996	6.0678	7.0325	6.4666	8.7715	10.2262
Redemption - Class B	-	20.7215	-	14.7076	-	10.3650	-	6.0678	-	6.4666	-	10.2262
Offer - Class B	-	21.1981	-	15.0459	-	10.5992	-	6.2049	-	6.6127	-	10.4573
OFFER / REDEMPTION DURING THE PERIOD - RUPEES												
Highest offer price per unit - Class B	-	22.5517	-	16.8405	-	11.5406	-	7.0042	-	10.5531	-	10.6571
Lowest offer price per unit - Class B	-	15.1682	-	10.6049	-	5.8695	-	5.6102	-	6.5924	-	8.2026
Highest redemption price per unit - Class B	-	22.0447	-	16.4619	-	11.2855	-	6.8494	-	10.3199	-	10.4216
Lowest redemption price per unit - Class B	-	14.8272	-	10.3547	-	5.7398	-	5.4862	-	6.4467	-	8.0213
RETURN (%)												
Total return	-25.30%	42.08%	118.70%	44.31%	49.62%	84.00%	-24.64%	-6.17%	-19.83%	-36.76%	35.08%	29.66%
Income distribution	1.38%	1.22%	4.64%	2.41%	5.31%	13.18%	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%
Capital growth	-23.92%	40.86%	123.34%	41.90%	54.93%	70.82%	-24.24%	-6.17%	-19.83%	-36.76%	35.08%	29.66%
DISTRIBUTION												
First Interim dividend distribution	0.21	0.18	0.33	0.25	0.26	0.80	0.40%	-	-	-	-	-
Date of Income Distribution	6/29/2026	6/24/2026	6/27/2025	6/30/2025	6/28/2024	6/28/2024	6/30/2023	-	-	-	-	-
Total dividend distribution for the year/ period	0.21	0.18	0.33	0.25	0.26	0.80	0.00	-	-	-	-	-
AVERAGE RETURNS (%)												
Average annual return 1 year	-25.30%	42.08%	118.70%	44.31%	49.62%	84.00%	-24.64%	-6.17%	-19.83%	-36.76%	35.08%	29.66%
Average annual return 2 year	27.82%	43.19%	80.89%	62.95%	18.49%	35.65%	-22.27%	-22.97%	4.06%	-9.45%	20.31%	12.18%
Average annual return 3 year	34.71%	55.67%	35.10%	35.57%	-3.89%	22.54%	-6.55%	-8.37%	5.09%	-7.33%	-1.18%	1.76%
PORTFOLIO COMPOSITION - (%)												
Percentage of Assets as at 30 June:												
Bank Balances	5.79%	9.12%	5.82%	12.41%	11.12%	16.21%	17.68%	26.51%	7.69%	17.16%	3.23%	13.49%
GoP Ijarah Sukuks												
Placement with Banks and DFIs												
Corporate Sukuks												
Stock / Equities	93.78%	88.59%	93.84%	86.42%	88.48%	80.75%	81.75%	68.12%	92.06%	81.26%	96.67%	83.67%
Others	0.43%	2.29%	0.35%	1.18%	0.40%	3.04%	0.57%	5.37%	0.25%	1.58%	0.10%	2.84%

Note:

The Fund converted to open end fund on July 02, 2018

* Since conversion from Closed-End to Open-End

Disclaimer:

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

PROXY VOTING DISCLOSURE

Summary of Actual Proxy voted by CIS

HBL I F	Meetings	Resolutions	For	Against
Number	6	13	13	-
(%ages)	-	100.00%	100.00%	-

(h) AMC did not participate in shareholders' meetings

Scrip	AGM Meeting Dt	EOGM Meeting Dt
Abbott Laboratories (Pakistan) Ltd	4/30/2026	
Adamjee Insurance Company Limited	4/28/2026	
AGP LIMITED	4/20/2026	29-Jun-26
Aisha Steel Mills Limited		
Allied Bank Limited		
Askari Bank Limited	3/17/2026	
AT-TAHUR LIMITED		
Attock Cement Pakistan Ltd	9/30/2025	
Attock Refinery Ltd	10/15/2025	
Bank Alfalah Limited		
BF Biosciences Limited		
Blue-Ex Limited		
Cherat Cement Company Ltd	10/9/2025	
Citi Pharma Ltd.		
DG Khan Cement Co Ltd		
Engro Fertilizer Limited	3/25/2026	
Engro Holding Limited	4/28/2026	
Fatima Fertilizer Company Ltd	4/17/2026	18-Dec-25
Fauji Cement Company Ltd	9/30/2025	
Fauji Fertilizer Company Ltd	16-Mar-26	8-Dec-25
GHANDHARA AUTOMOBILES LIMITED		
Ghandhara Industries Limited		
Ghani Chemical Industries Limited		
GLAXOSMITHKLINE PAKISTAN LIMITED	4/30/2026	
Habib Bank Limited	3/30/2026	28-Apr-26
Haleon Pakistan Limited	4/28/2026	
Highnoon Laboratories Ltd	4/30/2026	
Hum Network Limited		
International Industries Ltd	9/26/2025	18-Jun-26
International Steels Limited	9/24/2025	
K-ELECTRIC LIMITED	11/11/2025	25-Mar-26
LUCKY CEMENT LTD	9/26/2025	
Maple Leaf Cement Ltd.	10/16/2025	31-Dec-25
Mari Energies Limited	9/26/2025	22-Mar-26
MCB Bank Limited	3/27/2026	
Meezan Bank Ltd		
Mughal Iron		
National Bank of Pakistan		
NATIONAL REFINERY LTD	9/30/2025	
Nishat Chunian Power Limited		13-Aug-25
NISHAT MILLS LIMITED		31-Mar-26
Nishat Power Limited		13-Aug-25
Oil & Gas Development Co Ltd	10/27/2025	10-Sep-25
Pakistan Intl. Bulk Terminal Ltd.	23-Oct-25	
PAKISTAN PETROLEUM LIMITED		10-Sep-25
Pakistan Refinery Ltd	9/29/2025	
Pakistan Reinsurance Company Limited	4/30/2026	
Pakistan State Oil Company Ltd	10/24/2025	
Pakistan Stock Exchange Limited		
PAKISTAN TELECOMMUNICATION COMPANY		20-Nov-25
Pakistan Tobacco Company Limited	4/28/2026	
Pioneer Cement Co Limited		31-Mar-26
Samba Bank Limited	3/26/2026	
Service Ind.Ltd	4/29/2026	
SHIFA INTERNATIONAL HOSPITAL LTD	10/24/2025	1-Apr-26
SUI NORTHERN GAS PIPELINES LIMITED	11/27/2025	
SUI SOUTHERN GAS COMPANY LIMITED	11/27/2025	23-Dec-25
Systems Limited	11-MAY-2026 & 28/04/2026	27-Feb-26
Thatta Cement Company Limited	10/7/2025	
The Bank of Punjab	3/26/2026	
THE HUB POWER COMPANY LIMITED		7-Aug-25
The Searle Comp		12-Jun-26
TPL Corp Limited	12/30/2025	23-Apr-26
TPL Insurance Limited	4/23/2026	
TPL Life Insurance Limited	30-APRIL-2026 & 23/04	
TPL Properties Limited.	12/29/2025	
TPL TRAKKER LIMITED	11/27/2025	
TRG Pakistan Limited		
United Bank Limited	3/26/2026	

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
Head Office:
CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL INVESTMENT FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Investment Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 28, 2026

pwc A·F·FERGUSON&CO.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of HBL Investment Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HBL Investment Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movements in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1	**Net Asset Value (NAV)** (Refer notes 4 and 5 to the financial statements)	
	The bank balances and investments constitute the most significant components of the net asset value. The bank balances aggregated to Rs. 376.338 million and investments of the Fund amounted to Rs. 5,077.822 million as at June 30, 2026. The existence of bank balances and the existence and proper valuation of investments for the determination of NAV of the Fund as at June 30, 2026 was considered a high risk area and therefore we considered this as a key audit matter.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the bank balances and investment portfolio as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and • Obtained bank reconciliation statements and tested reconciling items on a sample basis.

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Information Other than the Financial Statements and Auditor's Report Thereon

The Management Company (HBL Asset Management Limited) is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and Board of Directors of Management Company for the Financial Statements

The Management Company (HBL Asset Management Limited) is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Company.

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- Conclude on the appropriateness of Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) the financial statements have been properly prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations 2008;

b) proper books and records have been kept by the Collective Investment Scheme or the financial statements prepared are in agreement with the books and records of Collective Investment Scheme; and

c) we were able to obtain all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh.**

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Dated: September 29, 2026
UDIN: AR202610061Zy0QfakhW

HBL INVESTMENT FUND
Statement of Assets and Liabilities
As at June 30, 2026

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
ASSETS	**Note**	Rupees in '000					
Bank balances	4	235,660	140,678	376,338	257,415	134,084	391,499
Investments	5	3,804,306	1,273,516	5,077,822	4,153,819	933,902	5,087,721
Dividend and profit receivable	6	8,137	4,987	13,124	15,260	4,417	19,677
Receivable against sale of investments		-	5,268	5,268	-	-	-
Advance, deposits, prepayment and other receivables	7	111	4,299	4,410	225	3,895	4,120
Receivable from HBL Asset Management Limited - Management Company		-	-	-	-	4,404	4,404
Total assets		4,048,214	1,428,748	5,476,962	4,426,719	1,080,702	5,507,421
LIABILITIES							
Payable to HBL Asset Management Limited - Management Company	8	3,882	3,540	7,422	4,100	3,222	7,322
Payable to Central Depository Company of Pakistan Limited - Trustee	9	483	280	763	1,041	397	1,438
?????o???}????Z???v?P?? Commission of Pakistan	10	322	96	418	339	70	409
Accrued expenses and other liabilities	11	5,621	61,712	67,333	2,740	60,311	63,051
Dividend payable		62,788	2,233	65,021	96,084	2,233	98,317
Unclaimed dividend		-	85,849	85,849	-	85,849	85,849
Total liabilities		73,096	153,710	226,806	104,304	152,082	256,386
NET ASSETS		3,975,118	1,275,038	5,250,156	4,322,415	928,620	5,251,035
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		3,975,118	1,275,038	5,250,156	4,322,415	928,620	5,251,035
CONTINGENCIES AND COMMITMENTS	12						
		Number of units			Number of units		
NUMBER OF UNITS IN ISSUE	16	284,125,000	61,532,210		284,125,000	63,138,604	
		Rupees			Rupees		
NET ASSET VALUE PER UNIT	3.6	13.9907	20.7215		15.2131	14.7076	

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL INVESTMENT FUND
Income Statement
For the year ended June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
INCOME		Rupees in '000					
Dividend income		109,799	46,751	156,550	132,191	37,717	169,908
Profit on savings accounts with banks		21,798	13,212	35,010	29,573	18,878	48,451
Gain on sale of investments - net		-	168,033	168,033	-	198,034	198,034
Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'	5.1.2.2	-	216,449	216,449	-	75,527	75,527
		-	384,482	384,482	-	273,561	273,561
Other income		-	-	-	700	-	700
Total income		131,597	444,445	576,042	162,464	330,156	492,620
EXPENSES							
Remuneration of HBL Asset Management Limited - Management Company (including Sindh sales tax thereon)	8.1 & 8.2	54,315	40,120	94,435	47,872	34,360	82,232
Allocation of expenses related to registrar services, operation and valuation services (including Sindh sales tax thereon)	8.3	-	-	-	2,430	1,094	3,524
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	9.1 & 9.2	6,099	1,745	7,844	4,973	1,332	6,305
Fee to the Securities and Exchange Commission of Pakistan	10.1	4,487	1,105	5,592	3,322	792	4,114
Brokerage and securities transaction costs		-	5,998	5,998	-	8,644	8,644
Auditor's remuneration	13	1,325	426	1,751	1,219	405	1,624
Fees and subscription		595	63	658	556	287	843
Settlement and bank charges		2,894	764	3,658	-	608	608
Reimbursement of expenses from HBL Asset Management Limited - Management Company		-	-	-	-	(4,404)	(4,404)
Total expenses		69,715	50,220	119,935	60,372	43,117	103,489
Net income for the year before taxation		61,882	394,225	456,107	102,092	287,039	389,131
Taxation	14	-	-	-	-	-	-
Net income for the year after taxation		61,882	394,225	456,107	102,092	287,039	389,131
Allocation of net income for the year:							
Net income for the year after taxation		61,882	394,225		102,092	287,039	
Income already paid on units redeemed		-	(28,632)		-	(20,360)	
		61,882	365,593		102,092	266,679	
Accounting income available for distribution:							
- Relating to capital gains		-	365,593		-	266,679	
- Excluding capital gains		61,882	-		102,092	-	
		61,882	365,593		102,092	266,679	

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer | **Chief Executive Officer** | **Director**

HBL INVESTMENT FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
		Rupees in '000					
Net income for the year after taxation		61,882	394,225	456,107	102,092	287,039	389,131
Items that will not be reclassified to income statement							
Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets 'at fair value through other comprehensive income'	5.1.1.2	(349,513)	-	(349,513)	2,294,999	-	2,294,999
Total comprehensive income for the year		(287,631)	394,225	106,594	2,397,091	287,039	2,684,130

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL INVESTMENT FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	2026						
	Class A				Class B		
	Capital value	Accumulated loss	Unrealised appreciation on revaluation of fair value through OCI	Total	Capital value	Accumulated loss	Total
	Rupees in '000						
Net assets at the beginning of the year	2,841,250	(2,155,162)	3,636,327	4,322,415	1,055,494	(126,874)	928,620
Issuance of Class A: nil units and Class B: 15,126,708 units							
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	222,478	-	222,478
- Element of Income	-	-	-	-	52,661	-	52,661
Total proceeds on issuance of units	-	-	-	-	275,139	-	275,139
Redemption of Class A: nil units and Class B: 16,733,102 units							
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	(246,104)	-	(246,104)
- Element of income	-	-	-	-	(37,199)	(28,632)	(65,830)
Total payments on redemption of units	-	-	-	-	(283,303)	(28,632)	(311,934)
Total comprehensive income for the year	-	61,882	(349,513)	(287,631)	-	394,225	394,225
Distribution for the year ended June 30, 2026 at Re. 0.21 per unit declared on June 29, 2026	-	(59,666)	-	(59,666)	-	-	-
Distribution for the year ended June 30, 2026 at Re. 0.18 per unit declared on June 24, 2026	-	-	-	-	(32)	(10,980)	(11,012)
Net (loss) / income for the year less distribution	-	(59,666)	-	(59,666)	(32)	(10,980)	(11,012)
Net assets at the end of the year	2,841,250	(2,152,946)	3,286,814	3,975,118	1,047,298	227,739	1,275,038
Accumulated loss brought forward comprising of:							
- Realised loss		(2,155,162)				(202,401)	
- Unrealised income		-				75,527	
		(2,155,162)				(126,874)	
Accounting income available for distribution							
- Relating to capital gains		-				365,593	
- Excluding to capital gains		61,882				-	
		61,882				365,593	
						-	
Distribution made during the year		(59,666)				(10,980)	
Accumulated (loss) / income carried forward		(2,152,946)				227,739	
Accumulated (loss) / income carried forward comprising of:							
- Realised loss		(2,152,946)				11,290	
- Unrealised income		-				216,449	
		(2,152,946)				227,739	
			(Rupees)				(Rupees)
Net asset value per unit at the beginning of the year			15.2131				14.7076
Net asset value per unit at the end of the year			13.9907				20.7215

Note: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL GROWTH FUND
STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND
For the year ended June 30, 2026

	2025						
	Class A				Class B		
	Capital value	Accumulated loss	Unrealised appreciation on revaluation of fair value through OCI	Total	Capital value	Accumulated loss	Total
	Rupees in '000						
Net assets at the beginning of the year	2,841,250	(2,163,493)	1,341,328	2,019,085	1,072,847	(378,632)	694,215
Issuance of Class A: nil units and Class B: 9,437,414 units							
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	97,819	-	97,819
- Element of loss	-	-	-	-	39,298	-	39,298
Total proceeds on issuance of units	-	-	-	-	137,117	-	137,117
Redemption of Class A: nil units and Class B: 13,275,722 units							
- Capital value (at net asset value per unit at the beginning of the year)	-	-	-	-	(137,603)	-	(137,603)
- Element of income	-	-	-	-	(16,193)	(20,360)	(36,553)
Total proceeds on redemption of units	-	-	-	-	(153,796)	(20,360)	(174,156)
Total comprehensive income for the year	-	102,092	2,294,999	2,397,091	-	287,039	287,039
Distribution for the year ended June 30, 2025 at Re. 0.33 per unit declared on June 27, 2025	-	(93,761)	-	(93,761)	-	-	-
Distribution for the year ended June 30, 2025 at Re. 0.25 per unit declared on June 27, 2025	-	-	-	-	(674)	(14,921)	(15,595)
Net income for the year less distribution	-	(93,761)	-	(93,761)	(674)	(14,921)	(15,595)
Net assets at the end of the year	2,841,250	(2,155,162)	3,636,327	4,322,415	1,055,494	(126,874)	928,620
Accumulated loss brought forward comprising of:							
- Realised loss		(2,163,493)				(504,270)	
- Unrealised income		-				125,638	
		(2,163,493)				(378,632)	
Accounting income available for distribution							
- Relating to capital gains		-				266,679	
- Excluding to capital gains		102,092				-	
		102,092				266,679	
Distribution made during the year		(93,761)				(14,921)	
Accumulated loss carried forward		(2,155,162)				(126,874)	
Accumulated loss carried forward comprising of:							
- Realised loss		(2,155,162)				(202,401)	
- Unrealised income		-				75,527	
		(2,155,162)				(126,874)	
			(Rupees)				(Rupees)
Net asset value per unit at the beginning of the year			7.1063				10.3650
Net asset value per unit at the end of the year			15.2131				14.7076

Note: Consequent to the conversion of the Fund from a closed-end scheme to an open-end scheme with effect from July 02, 2018, the comparative figures disclosed above have been prepared in accordance with the requirements of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as applicable to an open-end scheme.

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL INVESTMENT FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
CASH FLOWS FROM OPERATING ACTIVITIES		Rupees in '000					
Net income for the year before taxation		61,882	394,225	456,107	102,092	287,039	389,131
Adjustments for:							
Net unrealised appreciation on re-measurement of investments classified as financial asset 'at fair value through profit or loss'	5.1.2.2	-	(216,449)	(216,449)	-	(75,527)	(75,527)
Gain on sale of investments - net		-	(168,033)	(168,033)	-	(198,034)	(198,034)
Dividend income		(109,799)	(46,751)	(156,550)	(132,191)	(37,717)	(169,908)
Profit on savings accounts with banks		(21,798)	(13,212)	(35,010)	(29,573)	(18,878)	(48,451)
		(69,715)	(50,220)	(119,935)	(59,672)	(43,117)	(102,789)
Decrease / (increase) in assets							
Investments - net		-	44,868	44,868	-	38,918	38,918
Advance, deposits, prepayment and other receivables		114	(404)	(290)	193	1,176	1,369
Receivable against sale of investments		-	(5,268)	(5,268)	-	-	-
Receivable from HBL Asset Management Limited - Management Company		-	4,404	4,404	-	(1,371)	(1,371)
		114	43,600	43,714	193	38,723	38,916
Increase / (decrease) in liabilities							
Payable to HBL Asset Management Limited - Management Company		(218)	318	100	234	657	891
Payable to Central Depository Company of Pakistan Limited - Trustee		(558)	(117)	(675)	755	251	1,006
Payable to the Securities and Exchange Commission of Pakistan		(17)	26	9	175	16	191
Accrued expenses and other liabilities		2,881	1,401	4,282	2,159	(5,753)	(3,594)
Unclaimed dividend		-	-	-	-	(166)	(166)
		2,088	1,628	3,716	3,323	(4,995)	(1,672)
Dividend received		108,946	46,570	155,516	131,338	37,587	168,925
Profit received on savings accounts with banks		29,774	12,824	42,598	23,423	16,463	39,886
		138,720	59,394	198,114	154,761	54,050	208,811
Net cash generated from operating activities		71,207	54,402	125,609	98,605	44,661	143,266
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts against issuance of units - net of refund of capital		-	275,107	275,107	-	136,443	136,443
Payments against redemption of units		-	(311,934)	(311,934)	-	(174,156)	(174,156)
Dividend paid		(92,962)	(10,980)	(103,942)	(74,545)	(12,690)	(180,996)
Net cash used in financing activities		(92,962)	(47,807)	(140,769)	(74,545)	(50,403)	(218,709)
Net (decrease) / increase in cash and cash equivalents		(21,755)	6,595	(15,160)	24,060	(5,743)	(75,443)
Cash and cash equivalents at the beginning of the year		257,415	134,084	391,499	233,355	139,826	373,181
Cash and cash equivalents at the end of the year	4	235,660	140,678	376,338	257,415	134,083	391,498

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Investment Fund (the Fund), an Open End Scheme that was initially constituted as a Closed End Fund under the name of PICIC Investment Fund vide a registered Trust Deed 'Initial Trust Deed' dated April 2, 2004 , as amended vide First Supplemental Trust Deed dated June 28, 2004. The Fund has been converted into an Open End Scheme through a registered Restated Trust Deed (the Deed) dated April 24, 2018 under the Trusts Act, 1882 entered into and between HBL Asset Management Limited (the Management Company) and the Central Depository Company of Pakistan Limited (CDC) as the Trustee. During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on 17 August 2021, the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and has obtained the requisite license from the Securities and Exchange Commission of Pakistan (SECP) to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.3 The objective of the Fund is to maximise the wealth of the unit holders by investing primarily in listed equities in the best available opportunities, while considering acceptable risk parameters and applicable rules and regulations.

1.4 As per Regulation 65 of the NBFC Regulations, all closed end funds were required to convert into open end schemes upon expiry of five years from November 21, 2007 i.e. by November 21, 2012. However closed end funds whose portfolios were frozen as a result of Consent Agreements with Government of Pakistan were allowed to be converted into open end schemes within three months from the date of the removal of the freezing of the portfolios. Since the Fund has frozen portfolio comprising shares of Pakistan State Oil Company Limited and Sui Northern Gas Pipelines Limited, its conversion into an open end scheme was deferred.

1.5 The Board of the Management Company of the Fund in its meeting held on November 23, 2017 approved the conversion plan of the Fund for the conversion of the Fund into an open end scheme, with the approval of the certificate holders of the Fund to fulfill the requirements of the merger order dated August 31, 2016. For this purpose, the plan was presented to and approved by the certificate holders of the Fund in its general meeting dated January 10, 2018. The Plan was also approved by SECP on February 16, 2018.

1.6 The replacement trust deed and replacement offering document were approved by SECP vide its letter no. SCD/AMCW/HIF/339/2018 dated April 18, 2018 and letter no. SCD/AMCW/HIF/398/2018 dated June 7, 2018 respectively. As per the approved plan, the conversion took place on July 2, 2018 and every certificate holder of the closed end fund was entitled to following for each certificate held:

- One Class-A unit of the Fund was issued to every certificate holders of Fund for each certificate held representing frozen portfolio and related assets and liabilities.

- One Class-B unit of the Fund was issued to the every certificate holder of Fund for each certificate held representing unfrozen portfolio and related assets and liabilities.

1.7 The plan also envisages that Class-A units would not be redeemable and would be traded on the Pakistan Stock Exchange Limited. Whereas Class-B units can be redeemed at the redemption price.

1.8 VIS Credit Rating Company Limited (VIS) has maintained the Management Quality Rating to 'AM1' dated December 31, 2025 (2025: 'AM1' dated December 31, 2024) and the outlook on the rating has been assigned as 'Stable' (2025: 'Stable'). The fund is not rated by any credit rating agency as of June 30, 2026.

1.9 The title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of, directives and notifications issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984; and

- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

2.2 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current year

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2025. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements and, therefore, have not been detailed in these financial statements.

2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective in the current year

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2026. However, these are not considered to be relevant or do not have any material effect on the Fund's financial statements except for the following:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) is effective for annual periods beginning on or after January 1, 2027. IFRS 18 when applicable shall impact the presentation of the 'Income Statement' with certain additional disclosures in the financial statements; and

- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers effective for annual periods beginning on or after January 1, 2026. The amendment when applied may impact the timing of recognition and derecognition of financial assets and financial liabilities.

The management is in the process of assessing the impacts of the new standards and amendments on the financial statements of the Fund.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements of the Fund relate to classification and valuation of financial assets (Notes 3.2 and 5) and provision for Federal excise duty (Note 11.1).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments classified as 'at fair value through profit or loss' which are measured at their respective fair values. The details in respect of valuation techniques under IFRS 13 'Fair Value Measurement' used for the fair valuation of financial assets have been disclosed in Note 20.

2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees, which is the Fund's functional and presentation currency.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. These comprise of bank balances in savings accounts.

3.2 Financial assets

3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

3.2.2 Classification and subsequent measurement

3.2.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the “Statement of Assets and Liabilities” at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVTPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVTPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVTPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

3.2.2.2 Impairment

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Fund considers that a financial asset is in default when the counterparty fails to make contractual payments within 90 days of when they fall due. Further, financial assets are written off by the Fund, in whole or part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery.

3.2.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset.

Up to February 8, 2026, regular way purchases / sales of assets required delivery of securities within two days from the transaction date (T+2) as per the stock exchange regulations. Effective from February 9, 2026, in accordance with the revised regulations of the Pakistan Stock Exchange (PSX) and National Clearing Company of Pakistan Limited (NCCPL), the settlement cycle has transitioned to a Trade plus one day (T+1) basis, requiring delivery of securities within one day from the transaction date.

3.2.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred, the Fund has transferred substantially all the risks and rewards of ownership or the Fund neither transfers nor retains substantially all the risks and rewards of ownership and the Fund has not retained control. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

3.3 Financial liabilities

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities is taken to the Income Statement.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting and reporting standards as applicable in Pakistan.

3.5 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

3.6 Net asset value per unit

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

3.7 Issuance and redemption of units

Units issued are recorded at the offer price, determined by the Management Company / distributors during business hours on the day when the application is received. The offer price represents the NAV per unit as of the close of the business day, plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive a redemption application during business hours of that date. The redemption price is equal to NAV as of the close of the business day, less any duties, taxes, charges on redemption and any provision for transaction cost, if applicable.

3.8 Distributions to unit holders

Distributions to unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

3.9 Element of income / (loss) on issuance / (redemption) of units

The element of income represents the difference between the NAV per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of the capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend NAV of all units outstanding on the accounting date, net element of income contributed on issue of units lying in the unit holders' fund will be refunded on units in the same proportion as the dividend bears to accounting income available for distribution.

3.10 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place;

- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are included in the Income Statement in the year in which they arise;

- Unrealised appreciation / (diminution) arising on re-measurement of investments classified as 'financial assets at fair value through other comprehensive income' are included in the statement of comprehensive income in the year in which they arise;

- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and

- Profit on savings accounts with banks is recognised on a time proportion basis using the effective yield method.

3.11 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, the Trustee and fee to the SECP are recognised in the Income Statement on an accrual basis.

3.12 Taxation

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
4. BANK BALANCES	**Note**	Rupees in '000					
Savings accounts	4.1	235,660	140,678	376,338	257,415	134,084	391,499

4.1 These include a balance of Rs. 0.69 million (2025: Rs. 0.69 million) with Habib Bank Limited (a related party) carrying profit at the rate of 7.93% (2025: 11.11%) per annum, Rs. 220.87 million (2025: Rs. 239.25 million) with HBL Microfinance Bank Limited (a related party) carrying profit at the rate of 11.80% (2025: 11.25%) per annum and Rs. 125.06 million (2025: Rs. 114.59 million) with MCB Bank Limited (a related party) carrying profit at the rate of 9.00% (2025: 7.48%) per annum. Other savings accounts of the Fund carry profit at the rates ranging from 9.00% to 11.00% (2025: 9.00% to 9.50%) per annum.

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
5 INVESTMENTS	**Note**	Rupees in '000					
At fair value through other comprehensive income							
- Quoted equity securities	5.1.1 & 5.1.4	3,804,306	-	3,804,306	4,153,819	-	4,153,819
At fair value through profit or loss							
- Quoted equity securities	5.1.2, 5.1.3 & 5.1.4	-	1,273,516	1,273,516	-	933,902	933,902
		3,804,306	1,273,516	5,077,822	4,153,819	933,902	5,087,721

5.1 Quoted equity securities

5.1.1 Class A - At fair value through other comprehensive income

Name of the investee company	As at July 1, 2025	Purchased during the year	Sold during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation as at June 30, 2026	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
								total market value of investments	net assets of the Fund	
	(Number of shares)				(Rupees in '000)					
Oil & Gas marketing companies										
Sui Northern Gas Pipeline Limited	2,488,024	-	-	2,488,024	33,053	300,877	267,824	7.91%	7.57%	0.39%
Pakistan State Oil Company Limited (note 5.1.4)	10,233,471	-	-	10,233,471	484,438	3,503,429	3,018,991	92.09%	88.13%	2.18%
Total as at June 30, 2026					**517,491**	**3,804,306**	**3,286,815**	**100.00%**	**95.70%**	
Total as at June 30, 2025					**517,491**	**4,153,819**	**3,636,328**			

5.1.1.1 The above mentioned shares of Sui Northern Gas Pipelines Limited and Pakistan State Oil Company Limited are frozen / blocked by an order of the Government of Pakistan (GOP) as the same form part of a strategic shareholding under the control of the GOP. As a result, the Fund is restricted from selling, transferring, encumbering or otherwise disposing of or dealing with any interest in the said shares, including any future bonus / right shares in respect thereof. Consequently, the exposure limit mentioned in regulation 55 of the NBFC Regulations, 2008 does not apply to the above frozen shares

		Class A	
		2026	2025
5.1.1.2 **Net unrealised (diminution) / appreciation on re-measurement of investments classified as financial asset 'at fair value through other comprehensive income'**	**Note**	**------ Rupees in '000 ------**	
Market value of investments	5.1.1	3,804,306	4,153,819
Less: cost of investments	5.1.1	(517,491)	(517,491)
		3,286,815	3,636,328
Less: Net unrealised appreciation in the fair value of investments at the beginning of the year		3,636,328	1,341,329
		(349,513)	2,294,999

5.1.2 Class B - At fair value through profit or loss

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution)	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
									total market value of investments	net assets of the Fund	
	--------(Number of shares)--------					--------(Rupees in '000)--------			---------- (%) ----------		
Automobile Assembler											
Ghandhara Automobiles Limited	98,000	12,000	-	98,000	12,000	5,489	6,744	1,255	0.53%	0.53%	0.02%
Ghandhara Industries Limited	78,000	6,500	-	78,000	6,500	5,905	6,296	391	0.49%	0.49%	0.02%
						11,394	**13,040**	**1,646**	**1.02%**	**1.02%**	
Cement											
Attock Cement Pakistan Limited	77,124	-	-	77,124	-	-	-	-	-	-	-
Cherat Cement Company Limited-		20,500	-	-	20,500	7,403	7,092	(312)	0.56%	0.56%	0.01%
D.G. Khan Cement Company Limited (note 5.1.3)	180,000	20,000	-	83,500	116,500	20,315	26,011	5,696	2.04%	2.04%	0.03%
Fauji Cement Company Limited (note 5.1.3)	711,500	-	-	146,000	565,500	25,261	32,545	7,284	2.56%	2.55%	0.02%
Lucky Cement Limited (notes 5.1.2.1 & 5.1.3)	-	150,000	-	55,000	95,000	35,183	44,604	9,421	3.50%	3.50%	0.01%
Maple Leaf Cement Factory Limited (note 5.1.3)	595,000	249,500	-	629,500	215,000	21,286	22,986	1,700	1.80%	1.80%	0.02%
Pioneer Cement Company Limited	-	13,000	-	13,000	-	-	-	-	-	-	-
Thatta Cement Company Limited (note 5.1.2.1)	-	120,000	-	120,000	-	-	-	-	-	-	-
						109,448	**133,237**	**23,789**	**10.46%**	**10.45%**	
Commercial Banks											
Askari Bank Limited (note 5.1.3)	500,000	350,000	-	638,124	211,876	11,713	23,355	11,643	1.83%	1.83%	0.01%
Faysal Bank Limited (note 5.1.4)*	8,764	-	-	-	8,764	611	870	259	0.07%	0.07%	-
Habib Bank Limited - a related party (note 5.1.3)	33,500	131,000	-	15,000	149,500	40,561	43,685	3,124	3.43%	3.43%	0.01%
Samba Bank Limited	-	317,604	-	317,604	-	-	-	-	-	-	-
MCB Bank Limited - a related party*	20,000	10,000	-	-	30,000	9,302	12,165	2,863	0.96%	0.95%	-
Bank Alfalah Limited (note 5.1.2.1)	-	375,000		25,000	350,000	18,416	19,835	1,418	1.56%	1.56%	0.01%
The Bank of Punjab	-	900,000	-	385,000	515,000	15,249	18,071	2,823	1.42%	1.42%	0.02%
Meezan Bank Limited*	-	99,000	-	23,700	75,300	32,295	38,889	6,594	3.05%	3.05%	-
National Bank of Pakistan	372,500	40,000	-	283,000	129,500	15,688	25,706	10,017	2.02%	2.02%	0.01%
Allied Bank Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
United Bank Limited (note 5.1.2.1)*	10,000	139,200	-	31,200	118,000	49,689	52,825	3,136	4.15%	4.14%	-
						193,524	**235,402**	**41,877**	**18.49%**	**18.47%**	

Name of the investee company	As at July 1, 2025	Purchased during the year	Bonus / rights issue	Sold during the year	As at June 30, 2026	Carrying Value as at June 30, 2026	Market value as at June 30, 2026	Unrealised appreciation / (diminution)	Market value as a percentage of		Holding as a percentage of paid-up capital of the investee company
									total market value of investments	net assets of the Fund	
	--------(Number of shares)--------					--------(Rupees in '000)--------			---------- (%) ----------		
Fertilizer											
Engro Fertilizers Limited	-	78,000	-	78,000	-	-	-	-	-	-	-
Fatima Fertilizer Company Limited	-	138,000	-	-	138,000	22,317	22,811	494	1.79%	1.79%	0.01%
Fauji Fertilizer Company Limited (note 5.1.3)	-	112,000	-	-	112,000	58,515	64,230	5,714	5.04%	5.04%	0.01%
						80,832	**87,041**	**6,209**	**6.83%**	**6.83%**	
Food and Personal Care Products											
At-Tahur Limited	-	140,000	-	140,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Oil & Gas Exploration Companies											
Mari Energies Limited (notes 5.1.3 & 5.1.4)	104,320	19,500	-	51,800	72,020	45,023	48,562	3,539	3.81%	3.81%	0.01%
Oil & Gas Development Company Limited (note 5.1.3)	385,500	149,000	-	224,000	310,500	74,371	103,977	29,606	8.16%	8.15%	0.01%
Pakistan Petroleum Limited (note 5.1.3)	525,000	295,000	-	366,000	454,000	84,562	110,149	25,588	8.65%	8.64%	0.02%
						203,956	**262,689**	**58,733**	**20.62%**	**20.60%**	
Oil & Gas Marketing Companies											
Pakistan State Oil Company Limited (note 5.1.3)	211,000	98,500	-	249,500	60,000	23,778	20,541	(3,237)	1.61%	1.61%	0.01%
Sui Northern Gas Pipelines Limited	605,500	70,000	-	566,417	109,083	12,885	13,191	306	1.04%	1.03%	0.02%
Sui Southern Gas Company Limited	-	250,000	-	250,000	-	-	-	-	-	-	-
						36,664	**33,732**	**(2,931)**	**2.65%**	**2.64%**	
Pharmaceuticals											
BF Biosciences Limited (note 5.1.2.1)	185,000	-	-	185,000	-	-	-	-	-	-	-
Abbott Laboratories (Pakistan) Limited*	-	4,500	-	-	4,500	5,217	4,430	(787)	0.35%	0.35%	-
Citi Pharma Limited	-	60,000	-	30,000	30,000	2,817	2,336	(481)	0.18%	0.18%	0.01%
AGP Limited	-	25,500	-	-	25,500	5,345	5,261	(84)	0.41%	0.41%	0.01%
Glaxosmithkline Pakistan	-	31,000	-	8,000	23,000	9,901	8,516	(1,385)	0.67%	0.67%	0.01%
Haleon Pakistan Limited	-	7,000	-	-	7,000	6,930	5,636	(1,294)	0.44%	0.44%	0.01%
Highnoon Laboratories Limited -		6,500	-	-	6,500	7,155	6,518	(638)	0.51%	0.51%	0.01%
The Searle Company Limited (notes 5.1.3, 5.1.4 & 5.1.5)	2,376	200,000	30,356	176,924	55,808	5,521	5,276	(245)	0.41%	0.41%	0.01%
						42,885	**37,973**	**(4,912)**	**2.97%**	**2.97%**	
Engineering											
Aisha Steel Mills Limited	-	334,047	-	334,047	-	-	-	-	-	-	-
International Industries Limited	-	19,171	-	19,171	-	-	-	-	-	-	-
International Steels Limited	-	49,000	-	49,000	-	-	-	-	-	-	-
Mughal Iron and Steel Industries Limited*	-	146,500	-	143,090	3,410	280	299	19	0.02%	0.02%	-
						280	**299**	**19**	**0.02%**	**0.02%**	
Chemical											
Ghani Chemical Industries Limited	-	180,000	-	180,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Leather and Tanneries											
Service Industries Limited	-	474	-	474	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Power Generation & Distribution											
K-Electric Limited (note 5.1.2.1)	-	2,000,000	-	-	2,000,000	12,900	17,080	4,180	1.34%	1.34%	0.01%
Nishat Chunian Power Limited	-	95,000	-	-	95,000	6,258	6,128	(129)	0.48%	0.48%	0.03%
Nishat Power Limited	-	344,000	-	55,000	289,000	26,136	21,244	(4,891)	1.67%	1.67%	0.08%
The Hub Power Company Limited (note 5.1.3)	60,000	145,000	-	110,600	94,400	14,378	22,038	7,660	1.73%	1.73%	0.01%
						59,671	**66,491**	**6,819**	**5.22%**	**5.22%**	
Refinery											
Attock Refinery Limited	60,500	40,500	-	75,500	25,500	19,895	21,692	1,797	1.70%	1.70%	0.02%
National Refinery Limited	-	18,000	-	18,000	-	-	-	-	-	-	-
Pakistan Refinery Limited	755,000	970,000	-	1,036,000	689,000	23,293	24,577	1,284	1.93%	1.93%	0.11%
						43,188	**46,269**	**3,081**	**3.63%**	**3.63%**	

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									total market value of investments	net assets of the Fund	
	--------(Number of shares)--------					--------(Rupees in '000)--------			---------- (%) ----------		
Technology & Communication											
Pakistan Telecommunication Company Limited	2,190,000	340,000	-	2,322,000	208,000	7,684	13,628	5,944	1.07%	1.07%	0.01%
Hum Network Limited (note 5.1.2.1)	-	86,500	-	86,500	-	-	-	-	-	-	-
TPL Corp Limited	-	22,311,153	-	16,173,782	6,137,371	95,412	97,707	2,295	7.67%	7.66%	2.30%
Systems Limited (notes 5.1.2.1 & 5.1.3)	171,000	175,000	-	175,000	171,000	20,951	25,152	4,201	1.98%	1.97%	0.01%
TRG Pakistan Limited	-	45,000	-	45,000	-	-	-	-	-	-	-
TPL Trakker Limited	5,774,000	2,000,000	-	2,425,000	5,349,000	54,886	115,004	60,117	9.03%	9.02%	2.86%
						178,933	**251,491**	**72,558**	**19.75%**	**19.72%**	
Insurance											
Adamjee Insurance Company Limited	-	100,000	-	100,000	-	-	-	-	-	-	-
TPL Insurance Limited (note 5.1.4)	32,877	400,000	-	32,109	400,768	11,039	11,009	(30)	0.86%	0.86%	0.20%
TPL Life Insurance Limited	-	2,600,000	-	-	2,600,000	58,856	62,348	3,492	4.90%	4.89%	1.16%
Pakistan Reinsurance Company Limited	-	1,000,000	-	1,000,000	-	-	-	-	-	-	-
						69,895	**73,357**	**3,462**	**5.76%**	**5.75%**	
Textile Spinning											
Nishat Mills Limited	-	35,000	-	35,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Tobacco											
Pakistan Tobacco Company Limited*	-	4,000	-	-	4,000	5,296	5,712	416	0.45%	0.45%	-
						5,296	**5,712**	**416**	**0.45%**	**0.45%**	
Transport											
Pakistan International Bulk Terminal	-	216,000	-	216,000	-	-	-	-	-	-	-
Blue-Ex Limited (note 5.1.2.1)	-	500,000	-	500,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Property											
TPL Properties Limited	-	8,410,000	-	8,410,000	-	-	-	-	-	-	-
						-	**-**	**-**	**-**	**-**	
Inv. Banks / Inv. Cos. / Securities Cos.											
Engro Holding Limited	-	98,000	-	16,000	82,000	17,630	23,593	5,963	1.85%	1.85%	0.01%
Pakistan Stock Exchange Limited	700,000	50,000	-	750,000	-	-	-	-	-	-	-
						17,630	**23,593**	**5,963**	**1.85%**	**1.85%**	
Miscellaneous											
Shifa International Hospitals Limited	-	20,000	-	13,700	6,300	3,465	3,185	(280)	0.25%	0.25%	0.01%
						3,465	**3,185**	**(280)**	**0.25%**	**0.25%**	
Total as at June 30, 2026						**1,057,067**	**1,273,516**	**216,449**	**100.00%**	**100.00%**	
Total as at June 30, 2025						**858,375**	**933,902**	**75,527**			

* Nil due to rounding off

5.1.2.1 All shares have a nominal value of Rs. 10 each except for the shares of following:

Name of the investee company	Nominal value per share as on June 30, 2026	Subdivision of shares during the year	Additional number of shares received on account of subdivision of shares during the year
	Rupees		
Bank Alfalah Limited	5.00	On April 17, 2026 from Rs. 10 to Rs. 5 per share	175,000
Hum Network Limited	1.00	-	-

Name of the investee company	Nominal value per share as on June 30, 2026	Subdivision of shares during the year	Additional number of shares received on account of subdivision of shares during the year
	Rupees		

		Class B	
		2026	2025
5.1.2.2 **Net unrealised appreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss'**	Note	------ Rupees in '000 ------	
Market value of investments	5.1.2	1,273,516	933,902
Less: carrying value of investments	5.1.2	(1,057,067)	(858,375)
		216,449	75,527

5.1.3 The above investments in Class B include shares of the following companies which have been pledged with National Clearing Company of Pakistan for guaranteeing settlement of the Fund's trades in accordance with Circular no. 11 of 2007 dated October 23, 2007 issued by the SECP. The details of shares which have been pledged are as follows:

	----------2026----------		----------2025----------	
	Number of shares	Rupees in '000	Number of shares	Rupees in '000
Fauji Cement Company Limited	330,700	19,032	330,700	14,772
Fauji Fertilizer Company Limited	13,000	7,455	-	-
Askari Bank Limited	50,000	5,512	-	-
Habib Bank Limited	15,000	4,383	-	-
Pakistan Refinery Limited	-	-	280,000	9,500
Pakistan State Oil Company Limited	50,000	17,118	61,000	23,029
The Searle Company Limited	27,000	2,553	-	-
Systems Limited	26,000	3,824	-	-
Oil & Gas Development Company Limited	140,000	46,882	140,000	30,878
Pakistan Petroleum Limited	239,500	58,107	225,500	38,373
Lucky Cement Limited	10,000	4,695	-	-
D.G. Khan Cement Company Limited	20,000	4,465	10,000	1,656
Sui Northern Gas Pipelines Limited	-	-	250,000	29,178
Mari Energies Limited	17,000	11,463	-	-
Maple Leaf Cement Factory Limited	40,000	4,276	80,000	6,742
The Hub Power Company Limited	41,500	9,688	-	-
	1,019,700	199,453	1,377,200	154,128

5.1.4 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance 2001 as a result of which companies are liable to withhold five percent of the bonus shares to be issued. The shares so withheld shall only be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or would be filed in future would only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities was deposited with the authorities. Accordingly, CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. Subsequent to the year ended June 30, 2019, CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019. In this regard, on July 15, 2019, the Honorable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Funds have included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on the stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund during the year were not withheld by the investee companies, if any.

The Finance Act, 2023 introduced Section 236Z of the Income Tax Ordinance, 2001 (ITO) effective from July 1, 2023 which mandates listed companies to withhold ten percent shares out of bonus shares issued to the Fund. The shares so withheld are to be released if the Fund deposits tax equivalent to ten percent of the value of bonus share issues to the Fund. Such tax is to be deposited within fifteen days of the book closure of the respective dividend. In case of failure of the Fund to pay, the issuer company is liable to pay the tax and dispose of the bonus shares to recover the amount paid.

In this regard, a petition was filed by the Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CIS. The petition is based on the grounds that since the CISs are exempt from the levy of income tax in terms of 99 of Part-I of the Second Schedule to the ITO, no tax is payable by the Fund under Section 236Z of the ITO. During the current year, the Honourable High Court of Sindh has issued notices to the relevant parties and ordered to retain the withheld bonus shares and that no tax shall be paid under section 236Z of the ITO till further orders by the Court. The matter is still pending adjudication and the Fund has included these shares in their portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

As at June 30, 2026, the following bonus shares of Class A and Class B have been withheld by certain companies at the time of declaration of bonus shares respectively.

Name of the company	2026		2025	
	---------- Bonus shares ----------			
	Number of shares withheld	Market value as at June 30, 2026	Number of shares withheld	Market value as at June 30, 2025
		Rupees in '000		Rupees in '000
	Class A			
Pakistan State Oil Company Limited	85,273	29,193	85,273	32,193
	Class B			
The Searle Company Limited	2,376	225	2,376	208
Faysal Bank Limited	8,764	870	8,764	611
TPL Insurance Limited	768	21	768	8
Mari Energies Limited	4,160	2,805	4,160	2,608
	16,068	3,921	16,068	3,435

5.1.5 During the year, The Searle Company Limited has witheld 3,356 bonus shares from the bonus shares issued to the Fund. The market value these bonus shares witheld amounts to Rs. 0.32 million as at June 30, 2026. The Fund has written off this amount from the investments.

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
6 DIVIDEND AND PROFIT RECEIVABLE	**Note**	---------- Rupees in '000 ----------					
Profit receivable on savings accounts with banks	6.1	2,061	4,699	6,760	10,037	4,310	14,347
Dividend receivable		6,076	288	6,364	5,223	107	5,330
		8,137	4,987	13,124	15,260	4,417	19,677

6.1 These include profit receivable amounting to Rs. 2.13 million (2025: 0.49 million) from HBL Microfinance Bank Limited (a related party) and Rs. 0.73 million (2025: Rs. 10.26) from MCB Bank Limited (a related party).

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
7 ADVANCE, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES	**Note**	---------- Rupees in '000 ----------					
Security deposits with:							
- National Clearing Company of Pakistan Limited		-	2,500	2,500	-	2,500	2,500
- Central Depository Company of Pakistan Limited		100	200	300	100	200	300
Prepaid Listing fee		-	-	-	114	-	114
Other receivables		-	404	404	-	-	-
Advance tax	7.1	11	1,195	1,206	11	1,195	1,206
		111	4,299	4,410	225	3,895	4,120

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on savings accounts with banks paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated 12 May 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholdee. The tax withheld on dividend and profit on savings accounts with banks amounts to Rs. 1.21 million (2025: Rs. 1.21 million).

For this purpose, the MUFAP on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honorable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on profit received by the Fund on dividend and profit on savings accounts with banks has been shown as an 'Advance tax' as at June 30, 2026 as, in the opinion of the management, the amount of tax deducted at source will likely to be refunded.

			2026			2025	
		Class A	Class B	Total	Class A	Class B	Total
8 PAYABLE TO HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	**Note**	---------- Rupees in '000 ----------					
Remuneration payable	8.1	3,376	3,078	6,454	3,565	2,802	6,367
Sindh sales tax on remuneration of the Management Company	8.2	506	462	968	535	420	955
		3,882	3,540	7,422	4,100	3,222	7,322

8.1 As per regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the offering document and subject to a capping of 3.00% for a collective investment scheme categorised as an 'Equity Scheme'. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 1.00% and 3.00% (2025: 1.00% to 1.75% and 3.00% to 3.75%) per annum of the average daily net assets of the Fund for Class A and Class B respectively during the year ended June 30, 2026. The remuneration is payable to the Management Company monthly in arrears.

8.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Management Company and any reimbursable expenditure to the Management Company.

8.3 The SECP, vide S.R.O.600(I)2025 dated April 10, 2025, issued amendments in respect of expenses chargeable to CISs as prescribed in Schedule XX of the NBFC Regulations, from which the chargeability of expenses related to registrar services, accounting, operation and valuation services was excluded.

The Management Company in compliance of the above requirement did not charge the above-mentioned expense during the year ended June 30, 2026.

During the year ended June 30, 2025, the Management Company charged expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS) at the rate of 0.55% and 0.70% of the daily net assets of Fund for Class A and Class B respectively

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
9 PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	**Note**	**Rupees in '000**					
Remuneration payable to the Trustee	9.1	420	185	605	905	345	1,250
Sindh sales tax payable on remuneration of the Trustee	9.2	63	28	91	136	52	188
CDS charges payable		-	68	68	-	-	-
		483	280	763	1,041	397	1,438

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed as per the tariff specified therein, based on the daily net assets of the Fund. The remuneration is payable to the Trustee according to the following tariff structure:

Tariff structure	
Net assets	**Fee**
- Up to Rs. 1 billion	0.02% per annum of the net assets.
- Over Rs. 1 billion	Rs. 2 million plus 0.10% per annum of net assets, on amount exceeding Rs.1 billion.

9.2 Sindh sales tax levied through the Sindh Sales Tax on Services, 2011 has been charged at the rate of 15% (2025: 15%) on remuneration of the Trustee.

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	**Note**	**Rupees in '000**					
Fee payable	10.1	322	96	418	339	70	409

10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay a non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged a SECP fee at the rate of 0.095% (2025: 0.095%) per annum of the daily net assets of the Fund during the year. The Fund is required to pay SECP fee within fifteen days of the close of every calendar month.

		2026			2025		
		Class A	Class B	Total	Class A	Class B	Total
11 ACCRUED EXPENSES AND OTHER LIABILITIES	**Note**	Rupees in '000					
Federal excise duty payable on remuneration of the Management Company	11.1	-	55,961	55,961	-	55,961	55,961
Auditor's remuneration payable		1,148	290	1,438	680	367	1,047
Security transaction costs		-	297	297	-	24	24
Brokerage expense payable		-	1,536	1,536	-	260	260
Withholding tax payable		423	2,354	2,777	54	2,283	2,337
Zakat payable		3,990	152	4,142	1,807	57	1,864
Other payables		60	1,122	1,182	199	1,359	1,558
		5,621	61,712	67,333	2,740	60,311	63,051

11.1 The Finance Act, 2013 enlarged the scope of Federal excise duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honorable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs. 55.961 million (2025: Rs. 55.961 million) is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value of the Fund for Class B would have been higher by Re. 0.91 (2025: Re. 0.89) per unit.

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2026 and June 30, 2025.

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
13 AUDITOR'S REMUNERATION	Rupees in '000					
Annual audit fee	487	156	643	451	155	606
Half yearly review	325	105	430	302	104	406
Certification and other services	250	80	330	263	77	340
Out of pocket expenses and Sindh sales tax	263	85	348	203	69	272
	1,325	426	1,751	1,219	405	1,624

14 TAXATION

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90 percent of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2026 to the unit holder in the manner as explained above, no provision for taxation in has been made in these financial statements during the year.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A (i) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

15 TOTAL EXPENSE RATIO

The SECP, vide S.R.O. 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 01, 2025. The TER limit of 4.5% for a collective investment scheme categorised as an "Equity Scheme", applicable previously, has been replaced with the management fee cap which has been disclosed in note 8.1 to these financial statements.

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
16 NUMBER OF UNITS IN ISSUE	Number of units					
Units in issue at the beginning of the year	284,125,000	63,138,604	347,263,604	284,125,000	66,976,913	351,101,913
Units issued during the year	-	15,126,708	15,126,708	-	9,437,414	9,437,414
Units redeemed during the year	-	(16,733,102)	(16,733,102)	-	(13,275,722)	(13,275,722)
Total units in issue at the end of the year	284,125,000	61,532,210	345,657,210	284,125,000	63,138,604	347,263,604

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Connected persons / related parties include HBL Asset Management Limited being the Management Company, Habib Bank Limited being the Sponsor, Central Depository Company of Pakistan Limited, being the Trustee / custodian of the Fund, other collective investment schemes / notified entities managed by the Management Company, any person or trust beneficially owning, directly or indirectly, ten percent or more of the capital of the Management Company or ten percent or more of the net assets of the Fund, any person or trust controlled by the same persons as defined herein, any member of the group of which that person or trust forms part of and directors or officers of the Management Company or any of their connected persons as specified herein.

Transactions with connected persons essentially comprise issuance and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at the terms determined in accordance with market rates.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Offering Document, respectively.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of the transactions with connected persons / related parties and balances with them are as follows:

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
17.1 Transactions during the year	Rupees in '000					
HBL Asset Management Limited - Management Company						
Remuneration of the Management Company (including Sindh sales tax thereon)	54,315	40,120	94,435	47,872	34,360	82,232
Allocation of expense related to Allocation of expenses related to operation and valuation services (including Sindh sales tax thereon)	-	-	-	2,430	1,094	3,524
Habib Bank Limited - Sponsor						
Dividend income	-	2,707	2,707	-	3,337	3,337
Shares purchased during the year: 131,000 (2025: 289,625) shares	-	38,628	38,628	-	40,196	40,196
Shares sold during the year: 15,000 (2025: 447,125) shares	-	4,426	4,426	-	6,020	6,020
Profit on savings accounts with banks	-	75	75	-	128	128
Issuance of 3 (2025: 8) units*	-	-	-	-	-	-

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
Habib Bank Limited Treasury Division - Sponsor						
Issuance of nil (2025: 67,817) units	-	-	-	-	1,084	1,084
Redemption of nil (2025: 67,817) units	-	-	-	-	928	928
HBL Micro Finance Bank (formerly The First Microfinance Bank) - Associated Company						
Profit on savings accounts with banks	13,849	113	13,962	15,703	422	16,125
Central Depository Company of Pakistan Limited - Trustee						
Remuneration of Central Depository Company of Pakistan Limited - Trustee (including Sindh sales tax thereon)	6,099	1,745	7,844	4,973	1,332	6,305
CDC charges	2,603	391	2,993	-	206	206
Jubilee General Insurance Company Limited - Associated Company						
Issuance of 604 (2025: 1,746) units	-	20	20	-	30	30
Jubilee Life Insurance Company Limited - Associated Company						
Issuance of 2,427 (2025: nil) units	-	68	68	-	-	-
Jubilee General Insurance Company Limited Staff Provident Fund Trust - Associated Undertaking						
Issuance of 703 (2025: 1,795) units	-	23	23	-	36	36
Jubilee General Insurance Company Limited Gratuity Fund Trust - Associated Undertaking						
Issuance of 1,723 (2025: 3,275) units	-	45	45	-	67	67
National Investment Trust Limited Administration Fund - Associated Undertaking						
Issuance of 360 (2025: 4,255) units	-	12	12	-	53	53
Dividend paid	-	12	12	-	50	50
MCB Bank Limited - Connected person due to holding of more than 10% units						
Dividend income	-	990	990	-	-	-
Shares purchased during the year: 10,000 (2025: 20,000) shares	-	3,535	3,535	-	5,580	5,580
Profit on savings accounts with banks	1,290	9,649	10,939	6,330	-	6,330

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
Humera Iqbal - Connected person due to holding of more than 10% units						
Issuance of 73,317 (2025: 166,963) units	-	1,887	1,887	-	2,866	2,866
Directors and Executives of the Management Company						
Issuance of 349,488 (2025: 16,890) units	-	6,833	6,833	-	257	257
Redemption of 349,281 (2025:16,477) units	-	6,795	6,795	-	248	248
17.2 Balances outstanding at the year end						
HBL Asset Management Limited - Management Company						
Remuneration payable	3,376	3,078	6,454	3,565	2,802	6,367
Sindh sales tax on remuneration of the Management Company	506	462	968	535	420	955
Receivable from HBL Asset Management Limited - Management Company	-	-	-	-	4,404	4,404
Habib Bank Limited - Sponsor						
Investment in shares: 149,500 (2025: 33,500) shares	-	43,685	43,685	-	6,003	6,003
Outstanding: 28,062,661 (2025: 28,062,661) units	392,617	-	392,617	426,919	-	426,919
Outstanding: 413 (2025: 410) units	-	9	9	-	6	6
Bank balance	-	689	689	-	689	689
HBL Micro Finance Bank (formerly The First Microfinance Bank) - Associated Company						
Bank balance	220,379	491	220,870	238,847	407	239,254
Profit receivable on savings accounts with bank	2,081	52	2,132	448	40	488
Jubilee General Insurance Company Limited - Associated Company						
Outstanding: 112,464 (2025: 111,860) units	-	2,330	2,330	-	1,645	1,645
Jubilee Life Insurance Company Limited - Associated Company						
Outstanding: 381,746 (2025: 379,319) units	-	7,910	7,910	-	5,579	5,579
Jubilee General Insurance Company Limited Staff Provident Fund Trust - Associated Undertaking						
Outstanding: 118,454 (2025: 118,454) units	1,657	-	1,657	1,802	-	1,802
Outstanding: 131,026 (2025: 130,323) units	-	2,715	2,715	-	1,917	1,917

	2026			2025		
	Class A	Class B	Total	Class A	Class B	Total
	Rupees in '000					
Jubilee General Insurance Company Limited Gratuity Fund Trust - Associated Undertaking						
Outstanding: 224,000 (2025: 224,000) units	3,134	-	3,134	3,408	-	3,408
Outstanding: 250,719 (2025: 248,996) units	-	5,195	5,195	-	3,662	3,662
MCB Bank Limited Connected person - due to holding of more than 10% units						
Bank balance	212	124,845	125,057	212	114,385	114,597
Profit receivable on savings accounts with bank	-	731	731	6,330	3,929	10,259
Outstanding: 66,090,021 (2025: 66,090,021) units	924,648	-	924,648	1,005,432	-	1,005,432
Central Depository Company Of Pakistan Limited - Trustee						
Remuneration payable to the Trustee	420	185	605	905	345	1,250
Sindh sales tax payable on remuneration of the Trustee	63	28	91	136	52	188
Security deposit	100	200	300	100	200	300
CDS charges payable	-	68	68	-	-	-
National Investment Trust Limited Administration Fund - Associated Undertaking						
Outstanding: 60,720 (2025: 60,720) units	850	-	850	924	-	924
Outstanding: 67,123 (2025: 66,763) units	-	1,391	1,391	-	982	982
CDC - Trustee National Investment (Unit) Trust - Associated Undertaking						
Outstanding: 10,108,128 (2025: 10,108,128) units	141,420	-	141,420	153,776	-	153,776
Humera Iqbal - Connected person due to holding of more than 10% units						
Outstanding: 10,555,009 (2025: 10,481,692) units	-	218,715	218,715	-	154,161	154,161
Directors and Executives of the Management Company						
Outstanding: 26,195 (2025: 26,195) units	366	-	366	399	-	399
Outstanding: 29,780 (2025: 29,573) units	-	617	617	-	435	435

18 FINANCIAL INSTRUMENTS BY CATEGORY

	Class A		
	2026		
	At amortised cost	At fair value through other comprehensive income	Total
	Rupees in '000		
Financial assets			
Bank balances	235,660	-	235,660
Investments	-	3,804,306	3,804,306
Dividend and profit receivable	8,137	-	8,137
Deposit	100	-	100
	243,897	3,804,306	4,048,203
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	3,882	-	3,882
Payable to Central Depository Company of Pakistan Limited - Trustee	483	-	483
Accrued expenses and other liabilities	1,208	-	1,208
Dividend payable	62,788	-	62,788
	68,361	-	68,361

	Class B		
	2026		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	140,678	-	140,678
Investments	-	1,273,516	1,273,516
Dividend and profit receivable	4,987	-	4,987
Receivable against sale of investments	5,268	-	5,268
Deposits and other receivables	3,104	-	3,104
	154,037	1,273,516	1,427,553
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	3,540	-	3,540
Payable to Central Depository Company of Pakistan Limited - Trustee	280	-	280
Accrued expenses and other liabilities	3,245	-	3,245
Dividend payable	2,233	-	2,233
Unclaimed dividend	85,849	-	85,849
	95,147	-	95,147

	Class A		
	2025		
	At amortised cost	At fair value through other comprehensive income	Total
	Rupees in '000		
Financial assets			
Bank balances	257,415	-	257,415
Investments	-	4,153,819	4,153,819
Dividend and profit receivable	15,260	-	15,260
Deposit	100	-	100
	272,775	4,153,819	4,426,594
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	4,100	-	4,100
Management Company			
Payable to Central Depository Company of Pakistan Limited - Trustee	1,041	-	1,041
Accrued expenses and other liabilities	879	-	879
Dividend payable	96,084	-	96,084
	102,104	-	102,104

	Class B		
	2025		
	At amortised cost	At fair value through profit or loss	Total
	Rupees in '000		
Financial assets			
Bank balances	134,084	-	134,084
Investments	-	933,902	933,902
Dividend and profit receivable	4,417	-	4,417
Deposits and other receivables	2,700	-	2,700
Receivable from HBL Asset Management Limited - Management Company	4,404	-	4,404
	145,605	933,902	1,079,507
Financial liabilities			
Payable to HBL Asset Management Limited - Management Company	3,222	-	3,222
Payable to Central Depository Company of Pakistan Limited - Trustee	397	-	397
Accrued expenses and other liabilities	2,010	-	2,010
Dividend payable	2,233	-	2,233
Unclaimed dividend	85,849	-	85,849
	93,711	-	93,711

19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's objective in managing risk is the creation and protection of unit holders' value. Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the constitutive documents of the Fund and the regulations and directives of the SECP. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. The Board of Directors of the Management Company supervises the overall risk management approach within the Fund. The Fund is exposed to market risk, liquidity risk and credit risk arising from the financial instruments it holds.

19.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; yield / interest rate risk, currency risk and price risk.

(i) Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on its balances held with banks. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

a) Sensitivity analysis for variable rate instruments

Presently, the Fund holds bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis points increase / decrease in applicable rates on the last repricing date with all other variables held constant, the net income and net assets of the Class A would have been higher / lower by Rs. 2.35 million (2025: Rs. 2.57 million) and the net income for the year and net assets of the Class B would have been higher / lower by Rs. 1.41 million (2025: Rs. 1.34 million).

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

The Fund's yield / interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 and June 30, 2025 can be determined as follows:

CLASS - A

	As at June 30, 2026				
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
		Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.93% to 11.80%	235,660	-	-	-	235,660
Investments		-	-	-	3,804,306	3,804,306
Dividend and profit receivable		-	-	-	8,137	8,137
Deposit		-	-	-	100	100
		235,660	-	-	3,812,543	4,048,203
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	3,882	3,882
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	483	483
Accrued expenses and other liabilities		-	-	-	1,208	1,208
Dividend payable		-	-	-	62,788	62,788
		-	-	-	68,361	68,361
On-balance sheet gap (a)		235,660	-	-	3,744,181	3,979,842
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		235,660		-		
Cumulative interest rate sensitivity gap		235,660	235,660	235,660		

CLASS - B

	As at June 30, 2026				
	Exposed to yield / interest rate risk				
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.93% to 11.80%	140,678	-	-	-	140,678
Investments		-	-	-	1,273,516	1,273,516
Dividend and profit receivable		-	-	-	4,987	4,987
Receivable against sale of investments		-	-	-	5,268	5,268
Deposits and other receivables		-	-	-	3,104	3,104
		140,678	-	-	1,286,875	1,427,553
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	3,540	3,540
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	280	280
Accrued expenses and other liabilities		-	-	-	3,245	3,245
Dividend payable		-	-	-	2,233	2,233
Unclaimed dividend		-	-	-	85,849	85,849
		-	-	-	95,147	95,147
On-balance sheet gap (a)		140,678	-	-	1,191,728	1,332,406
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		140,678	-	-		
Cumulative interest rate sensitivity gap		140,678	140,678	140,678		

CLASS - A

	As at June 30, 2025				
	Exposed to yield / interest rate risk				
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
		Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	7.48% to 11.25%	257,415	-	-	-	257,415
Investments		-	-	-	4,153,819	4,153,819
Dividend and profit receivable		-	-	-	15,260	15,260
Deposit		-	-	-	100	100
		257,415	-	-	4,169,179	4,426,594

	As at June 30, 2025				
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
Financial liabilities		Rupees in '000				
Payable to HBL Asset Management Limited - Management Company		-	-	-	4,100	4,100
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	-	1,041	1,041
Accrued expenses and other liabilities		-	-	-	879	879
Dividend payable		-	-	-	96,084	96,084
		-	-	-	102,104	102,104
On-balance sheet gap (a)		257,415	-	-	4,067,075	4,324,490
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		257,415	-	-	-	-
Cumulative interest rate sensitivity gap		257,415	257,415	257,415		

CLASS - B	As at June 30, 2025				
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments		Rupees in '000				
Financial assets						
Bank balances	7.48% to 11.25%	134,084	-	-	-	134,084
Investments		-	-	-	933,902	933,902
Dividend and profit receivable		-	-	-	4,417	4,417
Deposits and other receivables		-	-	-	2,700	2,700
Receivable from HBL Asset Management Limited - Management Company		-	-	-	4,404	4,404
		134,084	-	-	945,423	1,079,507
Financial liabilities						
Payable to HBL Asset Management Limited - Management Company		-	-	-	3,222	3,222
Payable to Central Depository Company of	-		-	-	397	397
Accrued expenses and other liabilities		-	-	-	2,010	2,010
Dividend payable		-	-	-	2,233	2,233
Unclaimed dividend		-	-	-	85,849	85,849
		-	-	-	93,711	93,711
On-balance sheet gap (a)		134,084	-	-	851,712	985,796
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a+b)		134,084	-	-		
Cumulative interest rate sensitivity gap		134,084	134,084	134,084		

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund does not have any financial instruments in foreign currencies and hence is not exposed to such risk.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund is exposed to equity price risk on investments held by the Fund and classified as 'at fair value through profit or loss'. To manage its price risk arising from investments in equity securities, the Fund diversifies its portfolio within the eligible stocks prescribed in the Trust Deed. The NBFC Regulations also limit individual equity securities to no more than 10% of net assets and issued capital of the investee company and sector exposure limit to 35% of the net assets.

In the case of a 1% increase / decrease in the fair value of the Fund's Class A equity securities on June 30, 2026, net assets of the Fund would have increased / decreased by Rs. 38.04 million (2025: Rs. 41.54 million) as a result of losses / gains on equity securities in 'at fair value through other comprehensive income' category, with corresponding effect on other comprehensive income reported in 'Statement of Comprehensive Income'.

In the case of a 1% increase / decrease in the fair value of the Fund's Class B equity securities on June 30, 2026, net assets of the Fund would have increased / decreased by Rs. 12.73 million (2025: Rs. 9.34 million) as a result of gains / losses on equity securities in 'fair value through profit and loss' category, with corresponding effect on operating income reported in 'Income Statement'.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the KSE 100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the KSE 100 Index.

19.2 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC regulations, the fund can borrow in the short term to ensure settlement subject to the minimum limit which is fifteen percent of the net assets up to 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the year ended June 30, 2026.

The Fund has a policy to invest the majority of its assets in investments that are traded in an active market and can be readily disposed off. The Fund's listed securities are considered readily realisable, as these are listed on the Pakistan Stock Exchange Limited.

The Fund is not materially exposed to liquidity risk as all obligations / commitments of the Fund are short-term in nature and are restricted to the extent of available liquidity and significant assets of the Fund are readily disposable in the market.

The table below summaries the maturity profile of the Fund's financial liabilities. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates. However, the liabilities that are payable on demand including balances with banks have been included in the maturity grouping of one month:

	Class A						
	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	3,882	-	-	-	-	-	3,882
Payable to Central Depository Company of Pakistan Limited - Trustee	483	-	-	-	-	-	483
Accrued expenses and other liabilities	60	1,148	-	-	-	-	1,208
Dividend payable	62,788	-	-	-	-	-	62,788
	67,213	1,148	-	-	-	-	68,361

	Class B						
	2026						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	3,540	-	-	-	-	-	3,540
Payable to Central Depository Company of Pakistan Limited - Trustee	280	-	-	-	-	-	280
Accrued expenses and other liabilities	2,955	290	-	-	-	-	3,245
Dividend payable	2,233	-	-	-	-	-	2,233
Unclaimed dividend	85,849	-	-	-	-	-	85,849
	94,857	290	-	-	-	-	95,147

	Class A						
	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
	Rupees in '000						
Financial liabilities							
Payable to HBL Asset Management Limited - Management Company	4,100	-	-	-	-	-	4,100
Payable to Central Depository Company of Pakistan Limited - Trustee	1,041	-	-	-	-	-	1,041
Accrued expenses and other liabilities	199	680	-	-	-	-	879
Dividend payable	96,084	-	-	-	-	-	96,084
	101,424	680	-	-	-	-	102,104

	Class B						
	2025						
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than five years	Financial instruments with no fixed maturity	Total
Financial liabilities	Rupees in '000						
Payable to HBL Asset Management Limited - Management Company	3,222	-	-	-	-	-	3,222
Payable to Central Depository Company of Pakistan Limited - Trustee	397	-	-	-	-	-	397
Accrued expenses and other liabilities	1,643	367	-	-	-	-	2,010
Dividend payable	2,233	-	-	-	-	-	2,233
Unclaimed dividend	85,849	-	-	-	-	-	85,849
	93,344	367	-	-	-	-	93,711

19.3 Credit risk

19.3.1 Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligation as it falls due. Credit risk arises from bank balances, profit receivable on savings accounts with banks, receivable against sale of investments and dividend receivable.

Credit risk arising on financial assets s monitored through a regular analysis of financial position of brokers and other parties. In accordance with the risk management policy of the Fund, the investment manager monitors the credit position on a daily basis which is reviewed by the Board of Directors of the Management Company on a quaterly basis.

The table below analyses the Fund's maximum exposure to credit risk:

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
CLASS A	Rupees in '000			
Bank balances	235,660	235,660	257,415	257,415
Investments	3,804,306	-	4,153,819	-
Dividend and profit receivable	8,137	8,137	15,260	15,260
Deposit	100	100	100	100
	4,048,203	243,897	4,426,594	272,775

	2026		2025	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
CLASS B	Rupees in '000			
Bank balances	140,678	140,678	134,084	134,084
Investments	1,273,516	-	933,902	-
Dividend and profit receivable	4,987	4,987	4,417	4,417
Receivable against sale of investments	5,268	5,268	-	-
Deposits and other receivables	3,104	3,104	2,700	2,700
Receivable from HBL Asset Management Limited - Management Company	-	-	4,404	4,404
	1,427,553	154,037	1,079,507	145,605

The maximum exposure to credit risk before any credit enhancement as at June 30, 2026 is the carrying amount of the financial assets. Investment in equity securites, however, are not exposed to credit risk and have been excluded from the above analysis.

There is a possibility of default by participants or failure of the financial market / stock exchanges, the depositories, the settlements or clearing systems, etc. Settlement risk on equity securities is considered minimal because of inherent controls established in the settlement process. The Fund's policy is to enter into financial contracts in accordance with internal risk management policies and instruments guidelines approved by the Investment Committee.

19.3.2 Credit quality of financial assets

The Fund's significant credit risk (excluding credit risk relating to settlement of equity securities) arises mainly on account of its bank balances and profit receivable on savings accounts with banks thereon. The credit rating profile of bank balances is as follows:

	Class A		Class B	
Rating category	**2026**	**2025**	**2026**	**2025**
AAA	93.84%	6.53%	98.08%	86.78%
AA	6.11%	0.11%	1.88%	0.04%
AA+	-	-	-	0.01%
AA-	-	3.85%	-	12.31%
A+	0.01%	89.48%	0.01%	0.83%
A-	0.04%	-	0.02%	-
A	-	-	-	0.01%
B	-	0.04%	-	0.02%
	100.00%	100.00%	100.00%	100.00%

19.3.3 Concentration of credit risk

Concentration of credit risk exists when changes in economic and industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All finnacial assets of the Fund as at June 30, 2026 and June 30, 2025 are unsecured and are not impaired.

20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2026 and June 30, 2025, the Fund held the following financial instruments measured at fair values:

	Class 'A'			
	2026			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through other comprehensive income'				
Quoted equity securities	3,804,306	-	-	3,804,306

	Class 'B'			
	2026			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Quoted equity securities	1,273,516	-	-	1,273,516

	Class 'A'			
	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through other comprehensive income'				
Quoted equity securities	4,153,819	-	-	4,153,819

	Class 'B'			
	2025			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
Financial assets 'at fair value through profit or loss'				
Quoted equity securities	933,902	-	-	933,902

Valuation technique used in determination of fair values is as follows:

Item	Valuation technique
Quoted equity securites	The fair value of investments in quoted equity securites is determined on the basis of closing quoted market price available at the Pakistan Stock Exchange.

There were no transfers between levels during the year.

21 UNIT HOLDERS' FUND RISK MANAGEMENT

The Unit Holders' Fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movements in Unit Holders' Fund'.

The Fund has no restriction on the subscription and redemption of units. As required under the NBFC Regulations, 2008 every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has is in compliance with the requirement of minimum fund size at all times.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in Note 19, the Fund endeavors to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where necessary.

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
	Class A - As at June 30, 2026			
			Rupees in '000	
Individuals	15,570	145,798,454	2,039,828	51.31%
Associated Companies and Directors	8	38,600,158	540,045	13.59%
Insurance Companies	11	4,127,311	57,744	1.45%
Banks and Development Financial Institutions	22	73,974,329	1,034,955	26.04%
NBFCs	27	4,263,563	59,650	1.50%
Others	85	17,361,185	242,896	6.11%
	15,723	284,125,000	3,975,118	100.00%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
	Class B - As at June 30, 2026			
			Rupees in '000	
Individuals	14,721	47,283,694	979,788	76.84%
Associated Companies and Directors	5	430,720	8,925	0.70%
Insurance Companies	13	4,583,119	94,969	7.45%
Banks and Development Financial Institutions	14	1,186,589	24,588	1.93%
NBFCs*	1	506	10	-
Retirement Funds	8	6,946,065	143,933	11.29%
Public Limited Companies	2	25,788	534	0.05%
Others	111	1,075,729	22,291	1.75%
	14,875	61,532,210	1,275,038	100.00%

Category	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
	Class A - As at June 30, 2025			
			Rupees in '000	
Individuals	14,778	147,683,592	2,246,722	51.98%
Associated Companies and Directors	8	38,600,158	587,227	13.59%
Insurance Companies	12	5,735,021	87,247	2.02%
Banks and Development Financial Institutions	23	75,074,329	1,142,111	26.42%
NBFCs	26	3,773,001	57,399	1.33%
Others	80	13,258,899	201,709	4.67%
	14,927	284,125,000	4,322,415	100.00%

Category	Class B - As at June 30, 2025			
	Number of units holders	Number of units held	Unit holding or investment amount	Percentage of total
			Rupees in '000	
Individuals	14,544	46,943,250	690,424	74.35%
Associated Companies and Directors	6	457,064	6,722	0.72%
Insurance Companies	13	6,375,281	93,765	10.10%
Banks and Development Financial Institutions	15	1,325,386	19,493	2.10%
NBFCs*	1	503	7	-
Retirement Funds	8	6,942,481	102,107	11.00%
Public Limited Companies	4	26,572	391	0.04%
Others	105	1,068,067	15,709	1.69%
	14,696	63,138,604	928,620	100.00%

* Nil due to rounding off

23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION

2026	2025
Name of broker	Name of broker
Next Capital Limited	Intermarket Securities Limited
Ktrade Securities Limited	EFG Hermes Pakistan Limited
Chase Securities Pakistan (Private) Limited	Alfalah Securities (Private) Limited
Sherman Securites (Private) Limited	CLSA Securities (Private) Limited
Arif Habib Limited	Arif Habib Limited
Alpha Capital (Private) Limited	Optimus Capital Management (Private) Limited
Topline Securities Limited	JS Global Capital Limited
Spectrum Securities Limited	Topline Securities (Private) Limited
Optimus Capital Management (Private) Limited	DJM Securities Limited
AKD Securites Limited	Fortune Securities Limited

24 DETAILS OF MEMBERS OF THE INVESTMENT COMMITTEE

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. No.	Name	Designation	Qualification	Overall experience
1	Mr. Mir Adil Rashid	Chief Executive Officer	BSc	27+ years
2	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	28+ years
3	Mr. Amin Mohammad	Chief Risk Officer	MBA	33+ years
4	Mr. Wasim Akram	Senior Fund Manager	MBA	22+ years
5	Mr. Sunny Kumar	Head of Equities	B. Com	8+ years

25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of director	Number of meetings			Meeting not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3	Mr. Rayomond H. Kotwal*	6	5	1	December 22, 2025
4	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 and March 04, 2026
5	Mr. Tariq Masaud	9	8	1	October 30, 2025
6	Mr. Mir Adil Rashid	9	9	-	-
7	Mr. Ifran Ahmed Meer**	3	2	1	April 29, 2026
8	Mr. Khalid Malik	9	9	-	-
9	Dr. Sahar Awan**	3	3	-	-
10	Mr. Habib Yousuf Habib*	3	3	-	-
11	Ms. Sheeza Ahmed	9	9	-	-

*Mr. Rayomond H. Kotwal and Mr. Habib Yousuf Habib resigned on April 06, 2026 and November 27, 2025 respectively.

**Mr. Irfan Ahmed Meer and Dr. Sahar Awan appointed on April 08, 2026.

26 GENERAL

26.1 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation.

26.2 Figures have been rounded off to the nearest thousand rupees.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Management Company in their meeting held on **August 27, 2026**.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Financial Sector Income Fund

FUND INFORMATION

NAME OF FUND	HBL Financial Sector Income Fund
NAME OF AUDITOR	BDO Ebrahim & Co. Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited.
BANKERS	Habib Bank Limited Soneri Bank Limited Allied Bank Limited Bank Alfalah Limited Finca Microfinance Bank Limited HBL Microfinance Bank Limited Khushali Microfinance Bank Limited Meezan Bank Limited Mobilink Microfinance Bank Limited U Microfinance Bank Limited United Bank Limited

Type and Category of Fund

Open end Income Fund

Investment Objective and Accomplishment of Objective

The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs/Sukuks, Bank deposits and short-term money market instruments.

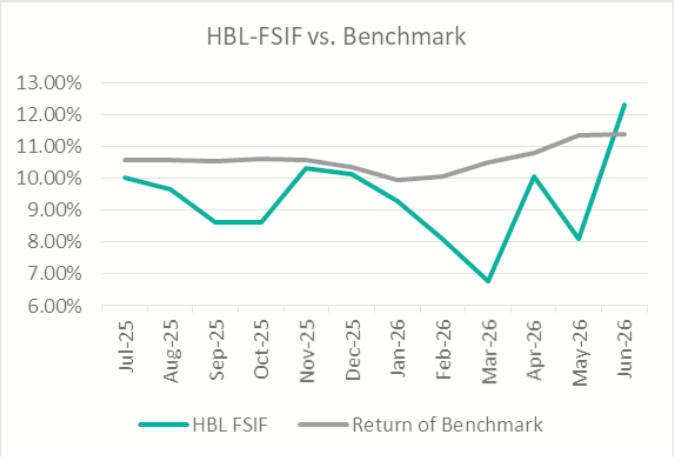
Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is 75% six (6) months KIBOR rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

The comparison of the fund return with benchmark is given below:

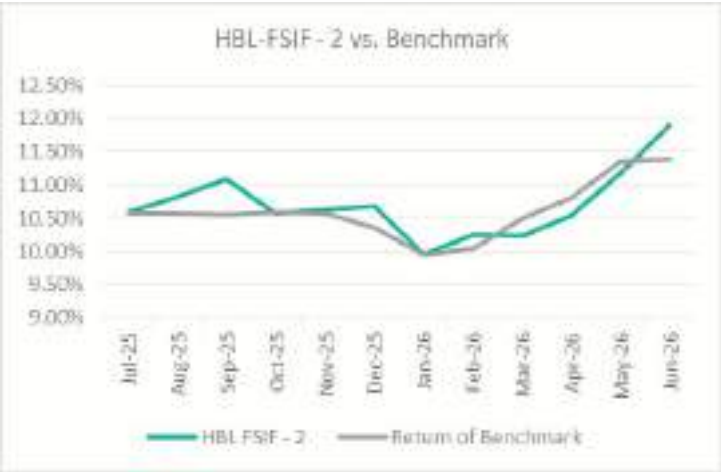
Financial Sector Income Fund - Plan-I

Month	Return of	
	HBL-FSIF - 1	Benchmark
Jun-26	12.31%	11.39%
May-26	8.10%	11.36%
Apr-26	10.05%	10.80%
Mar-26	6.76%	10.50%
Feb-26	8.10%	10.05%
Jan-26	9.27%	9.96%
Dec-25	10.12%	10.36%
Nov-25	10.31%	10.58%
Oct-25	8.62%	10.60%
Sept-25	8.61%	10.55%
Aug-25	9.65%	10.58%
Jul-25	10.02%	10.57%



Financial Sector Income Fund - Plan-II

Month	Return of	
	HBL-FSIF - 2	Benchmark
Jun-26	11.91%	11.39%
May-26	11.17%	11.36%
Apr-26	10.54%	10.80%
Mar-26	10.23%	10.50%
Feb-26	10.26%	10.05%
Jan-26	9.96%	9.96%
Dec-25	10.68%	10.36%
Nov-25	10.63%	10.58%
Oct-25	10.57%	10.60%
Sept-25	11.09%	10.55%
Aug-25	10.83%	10.58%
Jul-25	10.59%	10.57%



Strategies and Policies employed during the Year

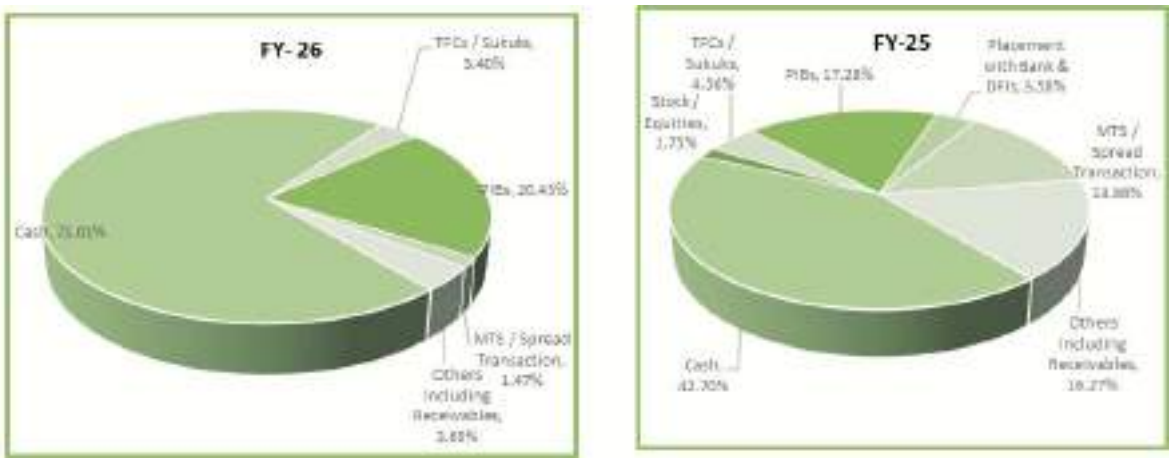
Plan-I

As at June end, cumulative exposure in Financial Sector instruments along with bank deposits accounted for 73.93% of total assets. Government securities accounted for 20.43%, MTS/ Spread transactions for 1.47% and TFCs/Sukuks accounted for 3.40% of total assets. Due to high rate of returns in fixed income, the fund maintained a sizable cash balance with Commercial Banks and Micro Finance Banks.

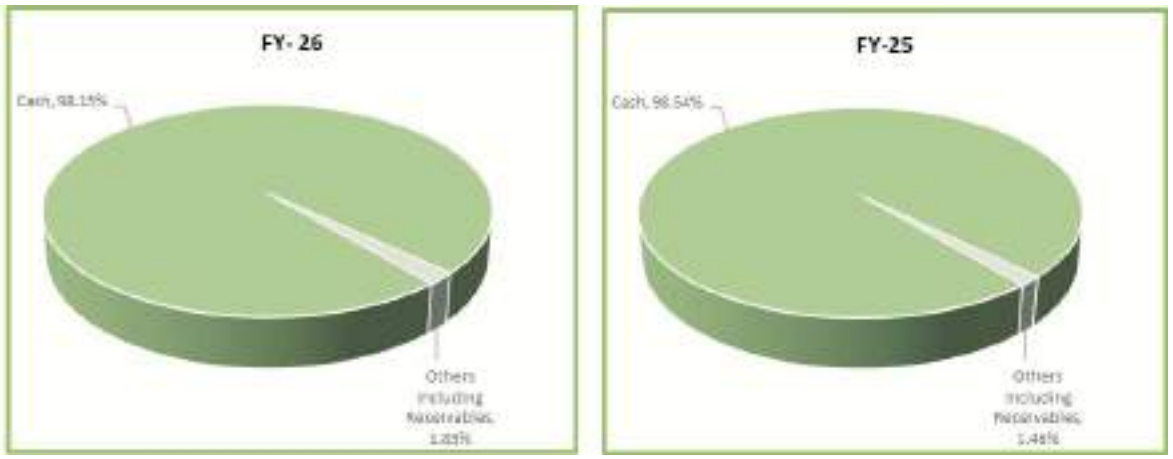
Plan-II

As at June end, the overall exposure in Financial Sector Placements was as bank deposits which accounted for 98.15% of total assets. The Fund invested majority of the amount in DPAs with Commercial Banks at attractive rate of returns.

Asset Allocation - Plan-I



Asset Allocation - Plan-II



Fund Performance

The Fund as a whole earned a total and net income of Rs. 5.14 billion and Rs. 4.50 billion respectively. The collective size of the Fund as at June 30, 2026 was 19.58 billion.

Performance of each plan is presented below.

HBL Financial Sector Income Fund - Plan-I

The total income and net income of the Fund was Rs. 3.92 billion and Rs. 3.32 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 102.6420 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.75 per unit) as compared to Rs. 102.4369 per unit as on June 30, 2025, thereby giving an annualized return of 9.73%. During the same period, the benchmark (75% 6 Month KIBOR and 25% 6 Month Deposit rates) return was 10.61%. The size of Fund was Rs. 9.61 billion as on June 30, 2026 as compared to Rs. 11.26 billion as at start of the year

HBL Financial Sector Income Fund - Plan-II

The Financial Sector Income Fund Plan-II commenced its operations on February 20, 2024.
The total income and net income of the Fund was Rs. 1.22 billion and Rs. 1.18 billion respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.4944 per unit as on June 30, 2026 (after incorporating dividends of Rs. 10.6788 per unit) thereby giving an annualized return of 11.25%. During the same period, the benchmark return (75% 6 Month KIBOR and 25% 6 Month Deposit rates) was 10.61%. The size of Fund was Rs. 9.98 billion as on June 30, 2026 as compared to 9.17 billion as at start of the year.

Money Market Review

During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution

The Fund has distributed cash dividend up-to Rs. 9.75 per unit for the year ended June 30, 2026 from HBL Financial Sector Income Fund Plan-I and Rs. 10.6788 per unit from HBL Financial Sector Income Fund Plan-II for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size - Plan-I

From - To (Number of units)	Number of Unit Holders	Total Number of Unit Holders
1 - 100	1,288	15,243
101 - 500	257	57,207
501 - 1,000	93	68,423
1,001 - 10,000	360	1,362,961
10,001 - 100,000	266	8,615,525
100,001 - 500,000	108	25,922,392
500,001 - 1,000,000	18	13,007,904
1,000,001 - 5,000,000	15	35,148,347
5,000,001 and above	1	9,407,065
Total	**2,406**	**93,605,067**

Breakdown of Unit Holding by Size - Plan-II

From - To (Number of units)	Number of Unit Holders	Total Number of Unit Holders
1 - 100	-	-
101 - 500	-	-
501 - 1,000	-	-
1,001 - 10,000	2	6,390
10,001 - 100,000	-	-
100,001 - 500,000	-	-
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	2	5,518,157
5,000,001 and above	1	93,743,964
Total	5	**99,268,511**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL FINANCIAL SECTOR INCOME FUND

As at June 30, 2026

	2026	2025	2024	2023	2022
Net assets at the period end (Rs'000)	9,607,810	11,255,485	50,709,379	27,434,480	45,830,084
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES					
Redemption	102.6420	102.4369	102.0570	100.8692	100.0454
Offer	105.0028	104.7929	104.4043	103.1488	102.3064
OFFER / REDEMPTION DURING THE PERIOD - RUPEES					
Highest offer price per unit	114.7090	119.9295	105.9376	104.3315	103.4676
Lowest offer price per unit	104.6410	104.4720	103.1892	100.3036	100.0000
Highest redemption price per unit	112.1300	117.2331	103.5558	102.0257	101.1809
Lowest redemption price per unit	102.2884	102.1232	100.8692	100.0454	100.0000
RETURN (%)					
Total return	9.73%	15.32%	22.11%	18.26%	13.26%
Income distribution	9.52%	14.89%	19.79%	16.07%	5.77%
Capital growth	0.21%	0.43%	2.32%	2.19%	7.49%
DISTRIBUTION					
Final dividend distributation (Rs)	9.7500	15.2000	19.9619	16.0773	5.7692
Date of Income Distribution	27-Jun-26	27-Jun-25	Various dates	Various dates	Various dates
Total dividend distribution for the year/ period (Rs)	9.7500	15.2000	19.9619	16.0773	5.7692
AVERAGE RETURNS (%)					
Average annual return 1 year	9.73%	15.32%	22.11%	18.26%	13.26%
Weighted average portfolio during (No. of days)	422	726	243	188	5
PORTFOLIO COMPOSITION - (%)					
Percentage of Total Assets as at 30 June:					
Bank Balances	68.51%	57.22%	58.90%	77.45%	93.69%
TFCs	3.48%	4.56%	2.53%	5.07%	0.98%
PIBs	20.43%	17.28%	12.88%	1.30%	0.00%
Tbill	0.00%	0.00%	4.74%	0.35%	0.95%
Placement with Banks and DFIs	0.00%	3.58%	12.29%	9.79%	0.00%
MTS / Spread Transaction	0.03%	13.86%	5.80%	2.56%	0.29%
Investement in ETF	1.47%	1.75%			
Others Including receivables	6.09%	1.75%	2.86%	3.48%	1.61%

Note:

The Launch date of the Fund is January 18, 2022

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
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Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL FINANCIAL SECTOR INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Financial Sector Income Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund.

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

BDO

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Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL FINANCIAL SECTOR INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Financial Sector Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, the statement of movement in unit holders' fund and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, and its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S.NO	Key audit matter(s)	How the matter was addressed in our audit
1.	Existence and valuation of balances with banks and investments As disclosed in note 5 & 6 to the accompanying financial statements of the Fund for the year ended June 30, 2026, the balances with banks and investments amounting to Rs. 21,241.90 million and Rs. 7,865.27 million which represent 93.89% of the total assets. The existence of bank balances and existence and valuation of investments are significant components of statement of asset and liabilities for the determination of net asset value of the Fund as at June 30, 2026.	Our audit procedures amongst others included the following: • Obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2026 and traced it with the books and records of the Fund. Where such confirmations were not available alternate audit procedures were performed; • Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and

S.NO	Key audit matter(s)	How the matter was addressed in our audit
	We considered existence of bank balance and existence and valuation of investment as Key audit matter due to significance of these in relation to total assets.	• Obtained bank reconciliation statements and tested reconciling items on a sample basis. • Assessed the Funds' compliance with the requirements of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 in relation to the concentration of investments and exposure limits prescribed in such Regulations and the applicability of disclosures in this regard. • Evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of accounting and reporting standards as applicable in Pakistan.

Information other than the Financial Statements and Auditor's Report thereon

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and Board of Directors of the Management Company for the Financial Statements

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

BDO

The Board of Directors of the Management company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.

- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO

From the matters communicated with the Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 30 SEP 2026

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UDIN: AR202610166970ukl1hL

HBL FINANCIAL SECTOR INCOME FUND
Statement of Assets and Liabilities
As at June 30, 2026

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
ASSETS	**Note**	------- (Rupees in '000) -------					
Balances with banks	5	21,241,909	10,129,834	31,371,743	15,975,840	9,168,568	25,144,408
Investments	6	7,865,267	-	7,865,267	7,584,828	-	7,584,828
Investment in margin trading system		8,544	-	8,544	3,869,617	-	3,869,617
Profit receivable	7	386,374	87,201	473,575	504,347	49,583	553,930
Advances, deposits, prepayments and other receivables	8	1,499,528	-	1,499,528	33,624	-	33,624
TOTAL ASSETS		31,001,622	10,217,035	41,218,657	27,968,256	9,218,151	37,186,407
LIABILITIES							
Payable to the HBL Asset Management Company - Management Company	9	42,804	553	43,357	56,727	744	57,471
Payable to the Central Depository Company of Pakistan Limited - Trustee	10	2,332	542	2,874	3,279	267	3,546
Payable to Securities and Exchange Commission of Pakistan	11	2,027	470	2,497	2,850	231	3,081
Payable against purchase of investments		-	-	-	6,911	-	6,911
Payable against redemption of units		1,119	-	1,119	376,665	-	376,665
Payable against conversion of units (Convert-Out)		21,000,059	-	21,000,059	15,212,676	-	15,212,676
Accrued expenses and other liabilities	12	345,471	239,542	585,013	1,053,663	45,941	1,099,604
TOTAL LIABILITIES		21,393,812	241,107	21,634,919	16,712,771	47,183	16,759,954
NET ASSETS		9,607,810	9,975,928	19,583,738	11,255,485	9,170,968	20,426,453
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		9,607,810	9,975,928	19,583,738	11,255,485	9,170,968	20,426,453
CONTINGENCIES AND COMMITMENTS	13						
		----------(Number of Units)----------					
Number of units in issue	14	93,605,069	99,268,511	192,873,578	109,877,231	91,709,728	201,586,959
		----------(Rupees)----------					
Net assets value per unit		102.6420	100.4944		102.4369	100.0000	

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL FINANCIAL SECTOR INCOME FUND
Income Statement
For the year ended June 30, 2026

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
Income	**Note**	------- (Rupees in '000) -------					
Income from Government securities		1,036,965	-	1,036,965	1,890,850	-	1,890,850
Income from money market transactions and placements		440,488	-	440,488	2,266,356	-	2,266,356
Income from corporate sukuk bonds		121,187	-	121,187	220,226	-	220,226
Mark-up from margin trading system		33,508	-	33,508	289,156	-	289,156
Capital gain / (loss) on sale of investments - net		(5,818)	-	(5,818)	291,355	-	291,355
Profit on bank deposits		2,318,879	1,217,586	3,536,465	2,966,574	721,185	3,687,759
Dividend income on equity securities		-	-	-	60,178	-	60,178
		3,945,209	1,217,586	5,162,795	7,984,695	721,185	8,705,880
Unrealised (diminution) / appreciation on re-measurement of investments - classified as financial assets at 'fair value through profit or loss'	6.2	(20,922)	-	(20,922)	111,354	-	111,354
		3,924,287	1,217,586	5,141,873	8,096,049	721,185	8,817,234
Expenses							
Remuneration of the HBL Asset Management Company - Management Company	9.1	468,732	16,764	485,496	681,299	20,350	701,649
Sindh Sales Tax on remuneration of the Management Company	9.2	70,777	2,529	73,306	102,195	3,052	105,247
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.1	27,101	8,313	35,414	39,576	3,163	42,739
Sindh Sales Tax on remuneration of the Central Depository Company of Pakistan Limited - Trustee	10.2	4,065	1,233	5,298	5,936	474	6,411
Annual fee to Securities and Exchange Commission of Pakistan	11	27,100	8,313	35,413	39,576	3,163	42,739
Allocation of fees and expenses related to registrar services, accounting, operation and valuation services		-	-	-	315	-	315
Selling and marketing expenses		-	-	-	2,414	-	2,414
Auditors' remuneration	15	712	-	712	619	577	1,196
Fees and subscription		-	-	-	255	-	255
Securities transaction costs and settlement charges		2,181	-	2,181	15,341	-	15,341
Bank charges		25	-	25	401	-	401
Formation cost		-	-	-	160	-	160
		600,693	37,152	637,845	888,087	30,779	918,867
Net income for the year before taxation		3,323,594	1,180,434	4,504,028	7,207,962	690,406	7,898,367
Taxation	16	-	-	-	-	-	-
Net income for the year after taxation		3,323,594	1,180,434	4,504,028	7,207,962	690,406	7,898,367
Allocation of net income for the year							
Net income for the year		3,323,594	1,180,434	4,504,028	7,207,962	690,406	7,898,367
Income already paid on redemption of units		(2,418,499)	(427,523)	(2,846,022)	(6,284,986)	-	(6,284,986)
		905,095	752,911	1,658,006	922,976	690,406	1,613,381
Accounting income available for distribution:							
Relating to capital gains		-	-	-	51,567	-	51,567
Excluding capital gains		905,095	752,911	1,658,006	871,409	690,406	1,561,814
		905,095	752,911	1,658,006	922,976	690,406	1,613,381

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL FINANCIAL SECTOR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	2026			2025		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	--------- (Rupees in '000) ---------					
Net income for the year	3,323,594	1,180,434	4,504,028	7,207,962	690,406	7,898,368
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	3,323,594	1,180,434	4,504,028	7,207,962	690,406	7,898,368

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL FINANCIAL SECTOR INCOME FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	Plan I					
	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	(Rupees in '000)					
Net assets at beginning of the year	10,271,546	983,939	11,255,485	49,866,710	842,669	50,709,379
Issuance of 860,822,268 units (2025: 871,092,564 units)						
Capital value (at net asset value per unit at the beginning of the year)	88,179,964	-	88,179,964	88,901,094		88,901,094
Element of income	3,227,744	-	3,227,744	8,873,965	-	8,873,965
Total proceeds on issue of units	91,407,708	-	91,407,708	97,775,059	-	97,775,059
Redemption of 877,094,428 (2025: 1,258,088,626 units)						
Capital value (at net asset value per unit at the beginning of the year)	(89,846,832)	-	(89,846,832)	(128,396,751)	-	(128,396,751)
Income already paid on redemption of units	-	(2,418,499)	(2,418,499)		(6,284,986)	(6,284,986)
Element of loss	(3,800,310)	-	(3,800,310)	(8,275,612)	-	(8,275,612)
Total payments on redemption of units	(93,647,142)	(2,418,499)	(96,065,641)	(136,672,363)	(6,284,986)	(142,957,349)
Total comprehensive income for the year	-	3,323,594	3,323,594	-	7,207,962	7,207,962
Distribution during the year	-	(180,832)	(180,832)	-	(781,706)	(781,706)
Refund of capital	(132,504)	-	(132,504)	(697,860)	-	(697,860)
	(132,504)	3,142,761	3,010,258	(697,860)	6,426,256	5,728,396
Net assets at end of the year	7,899,608	1,708,201	9,607,810	10,271,546	983,939	11,255,485
Undistributed income brought forward						
Realised income		872,585			843,374	
Unrealised income		111,354			(705)	
		983,939			842,669	
Accounting income available for distribution						
Relating to capital gains		-			51,567	
Excluding capital gains		905,095			871,409	
		905,095			922,976	
Distribution during the year		(180,832)			(781,706)	
Undistributed income carried forward		1,708,202			983,939	
Undistributed income carried forward						
Realised income		1,729,124			872,585	
Unrealised income		(20,922)			111,354	
		1,708,202			983,939	
			Rupees			Rupees
Net assets value per unit at beginning of the year			102.4369			102.0570
Net assets value per unit at end of the year			102.6420			102.4369

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL FINANCIAL SECTOR INCOME FUND
STATEMENT OF MOVEMENTS IN UNIT HOLDERS' FUND
For the year ended June 30, 2026

	Plan II					
	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the period	9,169,851	1,118	9,170,969	9,946,277	10,840	9,957,117
Issuance of 284,374,823 units (2025: 178,717,320 units)						
Capital value (at net asset value per unit at the beginning of the period)	28,437,482	-	28,437,482	17,871,732	-	17,871,732
Element of income	68,581	-	68,581	(1,122)	-	(1,122)
Total proceeds on issue of units	28,506,063	-	28,506,063	17,870,610	-	17,870,610
Redemption of 276,816,039 (2025: 186,470,362 units)						
Capital value (at net asset value per unit at the beginning of the period)	(27,681,604)	-	(27,681,604)	(18,647,036)	-	(18,647,036)
Element of loss	(39,208)	(427,523)	(466,731)	-	-	-
Total payments on redemption of units	(27,720,812)	(427,523)	(28,148,335)	(18,647,036)	-	(18,647,036)
Total comprehensive income for the period	-	1,180,434	1,180,434	-	690,406	690,406
Distribution during the period	-	(733,203)	(733,203)	-	(700,128)	(700,128)
	-	447,231	447,231	-	(9,722)	(9,722)
Net assets at end of the period	9,955,102	20,826	9,975,928	9,169,851	1,118	9,170,969
Undistributed income brought forward						
Realised income		1,118			10,840	
Unrealised income		-			-	
		1,118			10,840	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		752,911			690,406	
		752,911			690,406	
Distribution during the year		(733,203)			(700,128)	
Undistributed income carried forward		20,826			1,118	
Realised income		20,826			1,118	
Unrealised income		-			-	
		20,826			1,118	
			Rupees			Rupees
Net assets value per unit at beginning of the period			100.0000			-
Net assets value per unit at end of the period			100.4944			100.0000

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL FINANCIAL SECTOR INCOME FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
CASH FLOWS FROM OPERATING ACTIVITIES		---------- (Rupees in '000) ----------					
Net income for the year before taxation		3,323,594	1,180,434	4,504,028	7,207,962	690,406	7,898,368
Adjustments for:				-			
Capital (gain) / loss on sale of investment - net		5,818	-	5,818	(291,355)	-	(291,355)
Income on Government securities		(1,036,965)	-	(1,036,965)	(1,890,850)	-	(1,890,850)
Income from corporate sukuk bonds		(121,187)	-	(121,187)	(220,226)	-	(220,226)
Income from money market transactions and placements		(440,488)	-	(440,488)	(2,266,356)	-	(2,266,356)
Mark-up from margin trading system		(33,508)	-	(33,508)	(289,156)	-	(289,156)
Profit on bank deposits		(2,318,879)	(1,217,586)	(3,536,465)	(2,966,574)	(721,185)	(3,687,759)
Dividend Income on Equity Securities		-	-	-	(60,178)	-	(60,178)
Unrealised diminution / (appreciation) on re-measurement of investments - as financial assets at 'fair value through profit or loss' - net		20,922	-	20,922	(111,354)	-	(111,354)
		(600,693)	(37,152)	(637,845)	(888,087)	(30,779)	(918,866)
Decrease / (Increase) in assets							
Investments	6	(280,439)	-	(280,439)	9,737,269	-	9,737,269
Receivable against margin trading system		3,861,073	-	3,861,073	(916,821)	-	(916,821)
Advances, deposits and prepayments	8	(1,465,904)	-	(1,465,904)	148	-	148
		2,114,730	-	2,114,730	8,820,596	-	8,820,596
Increase/ (decrease) in liabilities							
Payable to the HBL Asset Management Company - Asset Management Company	9	(13,923)	(191)	(14,114)	(39,038)	(3,942)	(42,980)
Payable to the Central Depository Company - Trustee	10	(947)	275	(672)	(287)	(422)	(709)
Payable to Securities and Exchange Commission of Pakistan	11	(823)	239	(584)	(297)	(377)	(674)
Payable against purchase of investments		(6,911)	-	(6,911)	6,911	-	6,911
Payable against redemption of units		(375,545)	-	(375,545)	376,665	-	376,665
Payable against conversion of units (Convert-Out)		5,787,383	-	5,787,383	15,212,676	-	15,212,676
Accrued expenses and other liabilities	12	(708,192)	193,601	(514,591)	963,433	38,631	1,002,064
		4,681,041	193,924	4,874,966	16,520,063	33,890	16,553,953
Cash generated from / (used in) operations		6,195,078	156,772	6,351,851	24,452,572	3,111	24,455,683
Income received from Government securities		997,467	-	997,467	2,099,986	-	2,099,986
Income received from corporate sukuk bonds		124,189	-	124,189	224,826	-	224,826
Income received from money market transactions and placements		470,940	-	470,940	2,235,904	-	2,235,904
Income received from margin trading system		97,323	-	97,323	298,415	-	298,415
Profit received on bank deposits		2,352,341	1,179,969	3,532,310	3,358,901	840,855	4,199,756
		4,042,260	1,179,969	5,222,229	8,218,032	840,855	9,058,887
Net cashflows (used in) / generated from operating activities		10,237,338	1,336,741	11,574,080	32,670,604	843,966	33,514,571
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts from issue of units		91,407,708	28,506,063	119,913,771	97,775,059	17,870,610	115,645,669
Payments against redemption of units		(96,065,641)	(28,148,335)	(124,213,976)	(142,957,349)	(18,647,036)	(161,604,385)
Dividend paid		(313,336)	(733,203)	(1,046,539)	(1,479,566)	(700,128)	(2,179,694)
Net cashflows generated from / (used in) financing activities		(4,971,269)	(375,475)	(5,346,744)	(46,661,856)	(1,476,554)	(48,138,410)
Net increase / (decrease) in cash and cash equivalents during the year		5,266,069	961,266	6,227,336	(13,991,252)	(632,588)	(14,623,839)
Cash and cash equivalents at the beginning of the year		15,975,840	9,168,568	25,144,408	29,967,092	9,801,156	39,768,248
Cash and cash equivalents at the end of the year	5	21,241,909	10,129,834	31,371,744	15,975,840	9,168,568	25,144,408

The annexed notes from 1 to 29 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Financial Sector Income Fund ("the Fund") was established under a Trust Deed, dated December 06, 2021, executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBLFSIF/135/2021 dated November 10, 2021. The plan I commenced operations from January 18, 2022 and plan II commenced operation during the period from February 19, 2024.

1.2 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely “Sindh Trusts Act, 2020” (the Sindh Trust Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trust Act. The above-mentioned Trust Deed had been registered under the Sindh Trust Act.

1.3 Effective from September 1, 2016, HBL Asset Management Limited became Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.5 The Fund is an open-ended mutual fund. The units are transferable and can also be redeemed by surrendering to the Fund.

1.6 The Fund has been categorised as a Compliant Income Scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS) and is listed on the Pakistan Stock Exchange Limited(PSX).The units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.

1.7 The objective of the Fund is to provide income enhancement and preservation of capital by investing in prime quality Financial Sector TFCs / Sukuks, bank deposits and short-term money market instruments.

1.8 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

1.9 VIS Credit Rating agency has assigned a management quality rating of 'AM1' (Stable Outlook) to the Management Company as at December 31, 2025 and the HBL Financial Setor Income Fund Fund stability rating of 'A+(f)' dated December 29, 2025 and HBL Financial Setor Income Fund P-II fund has stability rating of "AA-(f)".

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017, along with the part VIIIA of the repealed companies ordinance, 1984; and
- Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC rules), Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs'), which is the Fund's functional currency. In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.3 Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.2.4 Impairment of financial assets

The Fund at each reporting date assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.2.6 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange (PSX) are valued at rates quoted on PSX.

Basis of valuation of spread transactions

Spread transactions are valued at their fair value determined using quoted market prices and rates prevailing at the reporting date. The valuation reflects the difference between the contracted purchase and sale prices of the underlying securities, adjusted for accrued income/expenses where applicable.

4.2.7 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.8 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net income / (loss) for the year of the Fund by the weighted average number of units outstanding during the year. Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders. 'The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.6 Proposed distributions

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Compnay during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable is paybale to the distributers / Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.8 Element of income and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Assets Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.9 Net assets value per unit

The net assets value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue in circulation as at the year end.

4.10 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from Government securities, and investment in debt securities are recognized using the effective interest rate method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recognized in the Income Statement in the period in which they arise.
- Profit on balances with banks is recognized on time proportion basis.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, trustee fee and annual fee of the SECP are recognised in the Income Statement when incurred.

4.13 Transactions with related parties / connected persons

Transactions with connected persons are carried in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

5 BALANCES WITH BANKS

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
	Note	------- Rupees in '000 -------					
In saving accounts	5.1, 5.2 & 5.3	21,241,909	10,129,834	31,371,743	15,975,840	9,168,568	25,144,408
		21,241,909	10,129,834	31,371,743	15,975,840	9,168,568	25,144,408

5.1 These accounts carry profit rates ranging from 8.50% to 13.50% (2025: 9.00% to 21.15%) per annum and 9.00% to 13.50% (2025: 10.65% to 19.50%) per annum of HBL Financial Sector Income Fund Plan I and Plan II.

5.2 These include balances held by related parties (Habib Bank Limited and HBL Micro finance Bank Limited) amounting to Rs. 19,071.791 million (2025: Rs. 15,693 million) and Rs. 800.091 million (2025: 9.119 million) which carry profit rates ranging from 11.00% to 13.50% (2025: 9% to 19.5%) and 11.00% to 13.50% (2025: 11.25% to 20%) per annum of HBL Financial Sector Income Fund Plan I and Plan II.

5.3 The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Compliant Income Scheme' in 'accordance with the said circular. As at June 30, 2026, the Fund is compliant with all the requirements of the said circular except for following.

Non-compliant investment disclosure - Plan 1		
Non-compliance reference	**Regulatory limit**	**%Net asset**
Cash and cash equivalent	100%	220.98%

Non-compliant investment disclosure - Plan 2		
Non-compliance reference	**Regulatory limit**	**%Net asset**
Cash and cash equivalent	100%	101.65%

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
6 INVESTMENTS	**Note**	------- Rupees in '000 -------					
At fair value through profit or loss	6.1	7,865,267	-	7,865,267	6,584,828	-	6,584,828
At amortised cost		-	-	-	1,000,000	-	1,000,000
		7,865,267	-	7,865,267	7,584,828	-	7,584,828

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
6.1 Financial assets at fair value through profit or loss	**Note**	------- Rupees in '000 -------					
Corporate Sukuk Bonds - Listed	6.1.1	150,000	-	150,000	236,504	-	236,504
Term Finance Certificates (TFCs)	6.1.2	928,069	-	928,069	1,035,785	-	1,035,785
Pakistan Investments Bonds (PIBs)	6.1.4	6,331,471	-	6,331,471	4,824,787	-	4,824,787
Market Treasury Bills	6.1.5	-	-	-	-	-	-
Investments in Mutual Fund (Plan I)	6.1.6	455,727	-	455,727	487,751	-	487,751
		7,865,267	-	7,865,267	6,584,827	-	6,584,827

6.1.1 Corporate sukuk bond-Listed (Plan I)

Name of the investee company	As at July 01, 2025	Purchases during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation	Market value as a percentage of	
								Total investments	Net assets
	---------- (No. of units) ----------				---------- (Rupees in '000) ----------			----------%----------	
Corporate sukuk bond - listed									
K-electric Limited	2,570	-	2,570	-	-	-	-	0.00%	0.00%
Burj Clean Energy Mudarba	-	70	70	-	-	-	-	0.00%	0.00%
Citi Pharma Limited	-	150	-	150	150,000	150,000	-	38.82%	1.56%
Total - as at June 30, 2026	2,570	220	2,640	150	150,000	150,000	-	38.82%	1.56%
Total - as at June 30, 2025	2,570	-	-	2,570	233,127	236,504	3,378	3.12%	2.10%

6.1.1.1 These carry profit rates ranging from 12.58% to 13.07% (June 30, 2025: 13.07% to 23.08%) per annum.

6.1.2 Term finance certificates (Plan I)

Name of the investee company	As at July 01, 2025	Purchases during the year	Sales during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Market value as a percentage of	
								Total investments	Net assets
	---------- (No. of units) ----------				---------- (Rupees in '000) ----------			----------%----------	
Askari Bank Limited	120	-	120	-	-	-	-	0.00%	0.00%
Bank Al-Habib Limited	100,000	-	-	100,000	514,989	507,048	(7,941)	6.45%	5.28%
Soneri Bank Limited	4,000	-	-	4,000	399,520	394,889	(4,631)	5.02%	4.11%
kashf Foundation	-	1,000	-	1,000	25,000	26,132	1,132	0.33%	0.27%
Total - as at June 30, 2026	104,120	1,000	120	104,000	939,509	928,069	(12,572)	11.47%	9.39%
Total - as at June 30, 2025	104,120	-	-	104,120	1,031,021	1,035,785	4,764	13.66%	9.20%

6.1.2.1 These carry profit ranging from 12.36% to 13.73% (June 30, 2025: 12.48% to 21.83%) per annum.

6.1.3 Significant terms and conditions of corporate sukuk bonds and term finance certificates as at June 30, 2026 is as follows:

	Payment term	Remaining principal (per sukuk bond)	Profit rate (per annum)	Issue date	Maturity date
TFCs - Commercial Banks - unlisted					
Bank Al-Habib Limited	(Semi annually)	4,992	6M K + 1.35%	December 23, 2022	December 23, 2032
Soneri Bank Limited	(Semi annually)	99,880	6M K + 1.70%	December 26, 2022	December 26, 2032
kashf Foundation	(Quarterly)	99,900	3M K + 1.50%	December 8, 2023	December 8, 2026

6.1.4 Pakistan Investments Bonds (PIBs) (Plan I)

Particulars	Tenor	Issue date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Market value as a percentag of:	
			As at July 01, 2025	Purchases during the year	Sales during the year	As at June 30, 2026				Total investments	Net assets
			(Rupees in '000)							%-	
Pakistan Investment Bond	2Y	16-Jan-25	250,000	-	-	250,000	213,858	235,093	21,236	2.99%	2.45%
Pakistan Investment Bond	3Y	19-Oct-23	850,000	-	-	850,000	849,232	849,235	3	10.80%	8.84%
Pakistan Investment Bond	3Y	16-Jan-25	125,000	-	-	125,000	127,021	125,945	(1,076)	1.60%	1.31%
Pakistan Investment Bond	3Y	15-Feb-24	-	2,544,435	1,032,459	1,511,976	1,505,825	1,469,716	(36,109)	18.69%	15.30%
Pakistan Investment Bond	5Y	13-Oct-22	200,000	-	-	200,000	198,370	197,307	(1,063)	2.51%	2.05%
Pakistan Investment Bond	5Y	19-Oct-23	2,357,000	-	-	2,357,000	2,336,677	2,336,730	53	29.71%	24.32%
Pakistan Investment Bond	5Y	21-Sep-23	1,000,000	-	-	1,000,000	990,476	991,500	1,024	12.61%	10.32%
Pakistan Investment Bond	5Y	16-Jan-25	125,000	-	-	125,000	127,384	125,945	(1,439)	1.60%	1.31%
Total - as at June 30, 2026			4,907,000	2,544,435	1,032,459	6,418,976	6,348,843	6,331,471	(17,371)	80.50%	65.90%
Total - as at June 30, 2025			6,857,000	7,150,000	9,100,000	4,907,000	4,749,707	4,824,787	75,080	63.61%	42.87%

6.1.5 Market treasury bills (Plan I)

Particulars	Issue date	Face value				Balance as at June 30, 2026			Market value as a percentage of:	
		As at July 01, 2025	Purchased during the year	Sale / matured during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Total investments	Net assets
		(Rupess in '000)							(%)	
Market Treasury Bills - 1 months										
Market treasury bills	21-May-26	-	10,000,000	10,000,000	-	-	-	-	-	-
		-	10,000,000	10,000,000	-	-	-	-	-	-
Market Treasury Bills - 3 months										
Market treasury bills	10-Jul-25	-	500,000	500,000	-	-	-	-	-	-
		-	500,000	500,000	-	-	-	-	-	-
Market Treasury Bills - 6 months										
Market treasury bills	10-Jul-25	-	500,000	500,000	-	-	-	-	-	-
		-	500,000	500,000	-	-	-	-	-	-

Particulars	Issue date	Face value				Balance as at June 30, 2026			Market value as a percentage of:	
		As at July 01, 2025	Purchased during the year	Sale / matured during the year	As at June 30, 2025	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Total investments	Net assets
		(Rupess in '000)							(%)	
Market Treasury Bills - 12 months										
Market treasury bills	6-Feb-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	10-Jul-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	12-Jun-25	-	500,000	500,000	-	-	-	-	-	-
Market treasury bills	29-May-25	-	500,000	500,000	-	-	-	-	-	-
		-	2,000,000	2,000,000	-	-	-	-	-	-
Total as at June 30, 2026		-	13,000,000	13,000,000	-	-	-	-	0.00%	0.00%
Total as at June 30, 2025		2,627,750	71,664,750	74,292,500	-	-	-	-	0.00%	0.00%

6.1.6 Investments in Mutual Fund (Plan I)

Sectors / Companies	As at July 01, 2025	Purchases during the year	Disposal during the year	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Market value as a percentage of:		Paid up value of units held as a percentage of total invested units of the Investee Company
								Total investments	Net assets	
	(Number of units)				(Rupees in '000)			%		
Mutual Funds										
HBL Total Treasury Exchange Traded Fund	4,394,150	443,300	796,600	4,040,850	447,907	455,727	7,820	5.79%	4.74%	0.09%
Total as at June 30, 2026	4,394,150	443,300	796,600	4,040,850	447,907	455,727	7,820	5.79%	4.74%	0.09%
Total as at June 30, 2025	3,494,250	1,885,300	985,400	4,394,150	459,619	487,751	28,132	6.43%	4.33%	0.10%

6.2 Unrealised (diminution) / appreciation on re-measurement of investments classified as financial assets at 'fair value through profit or loss' - net

	June 30 2026	June 30 2025
	(Rupees in '000)	
Market value of investments	7,865,267	6,584,828
Carrying value of investments	7,886,259	6,473,474
	(20,992)	111,354

6.3 At amortised cost

Investments	As at July 01, 2025	Placement made during the year	Income accrued	Sales/matured during the year	As at June 30, 2026	Percentage of total of investments	Percentage of net assets
	(Rupees '000')					%	
Term Deposit Receipts (TDR)	1,000,000	180,747,373	414,967	181,747,373	-	0%	0%
Total as at June 30, 2026	1,000,000	180,747,373	414,967	181,747,373	-	0%	0%
Total as at June 30, 2025	6,295,285	585,388,589	2,270,207	590,683,874	1,000,000	13.18%	8.88%

6.3.1 The Term Deposit Receipts carry markup at the average rate 10.85% per annum (June 30, 2025: 11.70%) per annam.

			2026			2025	
		Plan I	Plan II	Total	Plan I	Plan II	Total
7	**PROFIT RECEIVABLE**	**Note**	**----------Rupees '000'----------**				
	Bank deposits	7.1	182,423	87,201	269,624	215,885	49,583	265,468
	Margin trading sytem income		531	-	531	64,346	-	64,346
	Corporate sukuk bonds		3,260	-	3,260	6,262	-	6,262
	Pakistan Investment Bond		200,160	-	200,160	127,224	-	127,224
	Letter of Placement		-	-	-	30,452	-	30,452
	Dividend income on equity securities		-	-	-	60,178	-	60,178
			386,374	87,201	473,575	504,347	49,583	553,930

7.1 These include balances held with related parties Habib Bank Limited and HBL Micro Finance Bank Limited amounting to Rs. 9.169 million and 146.090 million (2025: Rs. Rs. 21.762 million and 124.99 million).

		2026			2025		
8	**ADVANCES, DEPOSITS AND PREPAYMENTS**	**------- Rupees in '000 -------**					
		Plan I	Plan II	Total	Plan I	Plan II	Total
	Security deposits with:						
	Central Depository Company of Pakistan Limited	100	-	100	100	-	100
	National Clearing Company of Pakistan Limited	6,600	-	6,600	6,600	-	6,600
	Trade settelement	1,465,893	-	1,465,893	-	-	-
	Margin trading system security deposit	250	-	250	250	-	250
		1,472,843	-	1,472,843	6,950	-	6,950
	Karachi Stock Exchange (Guarantee) Ltd.	12	-	12	12	-	12
	Preliminary cost	241	-	241	241	-	241
	Advance tax	8.1	26,432	-	26,432	26,421	-	26,421
		1,499,528	-	1,499,528	33,624	-	33,624

8.1 The income of the Fund is exempt from tax under clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The Management Company is confident that the same shall be refunded after filing refund application.

			2026			2025	
9	**PAYABLE TO THE HBL ASSET MANAGEMENT COMPANY - MANAGEMENT COMPANY**	**Note**	**------- Rupees in '000 -------**				
			Plan I	Plan II	Total	Plan I	Plan II	Total
	Remuneration payable to the management company	9.1	35,933	481	36,414	47,213	647	47,860
	Sindh sales tax payable	9.2	5,390	72	5,462	7,082	97	7,179
	Sales load payable		1,481	-	1,481	2,432	-	2,432
	Selling and marketing expense payable		-	-	-	-	-	-
			42,804	553	43,357	56,727	744	57,471

9.1 As per the Regulation 61 of the amended NBFC Regulations, an Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. The maximum limit disclosed in the Offering Document is 1.5% per annum of average annual net assets. During the year, the fee has been charged at the rate ranging between of 1.25% to 1.5% and 0.077% to 0.21% of the average annual net assets of HBL Financial Sector Income Fund Plan I and Plan II respectively. The fee is payable monthly in arrears.

10.2 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Trustee..

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
10 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	**Note**	---------- Rupees in '000 ----------					
Remuneration payable to Trustee	10.1	2,028	471	2,499	2,851	232	3,083
Sindh Sales Tax payable	10.2	304	71	375	428	35	463
		2,332	542	2,874	3,279	267	3,546

10.2 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Trustee..

11 PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a trustee to a collective investment scheme classified as an Income Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged the SECP fee at the rate of 0.075% (2025: 0.075%) of net assets during the current year.

	2026			2025		
12 ACCRUED EXPENSES AND OTHER LIABILITIES	---------- Rupees in '000 ----------					
	Plan I	Plan II	Total	Plan I	Plan II	Total
Withholding tax payable	33,651	144,921	178,572	152,403	36,994	189,397
Auditor's remuneration	482	827	1,309	454	827	1,281
Brokerage payable	137	-	137	319	-	319
Margin trading system charges payable	-	-	-	-	-	-
Capital gain tax payable	306,242	-	306,242	802,615	-	802,615
Legal fee	722	-	722	893	-	893
Listing fee payable	15	-	15	15	-	15
Others	4,222	93,794	98,016	96,964	8,120	105,084
	345,471	239,542	585,013	1,053,663	45,941	1,099,604

13 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 (2025: Nil).

14 NUMBER OF UNITS IN ISSUE

	2026			2025		
	---------- Rupees in '000 ----------					
	Plan I	Plan II	Total	Plan I	Plan II	Total
Total units in issue at the beginning of the year	109,877,231	91,709,728	201,586,959	496,873,293	99,462,770	596,336,063
Add: Units issued during the year	860,822,267	284,374,823	1,145,197,088	871,092,564	178,717,320	1,049,809,884
Less: Units redeemed during the year	(877,094,428)	(276,816,039)	(1,153,910,468)	(1,258,088,626)	(186,470,362)	(1,444,558,988)
Total units in issue at the end of the year	93,605,069	99,268,511	192,873,579	109,877,231	91,709,728	201,586,959

15 AUDITORS' REMUNERATION

	2026			2025		
	---------- Rupees in '000 ----------					
	Plan I	Plan II	Total	Plan I	Plan II	Total
Annual audit fee	370	-	370	322	511	832
Fee for half yearly review	207	-	207	180	-	180
Sales Tax	75	-	75	65	67	132
Other certifications and out of pocket expenses	60	-	60	52	-	52
	712	-	712	619	578	1,196

16 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current year as the Fund has distributed required minimum percentage of income earned by the Fund for the year ending 30 June 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

17 FINANCIAL INSTRUMENTS BY CATEGORY

	2026							
	Plan I				Plan II			
	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------							
Financial assets								
Bank balances	-	-	21,241,909	21,241,909	-	-	10,129,834	10,129,834
Investments								-
Corporate Sukuk Bonds	-	150,000	-	150,000	-	-	-	-
Term Finance Certificates (TFCs)	-	928,069	-	928,069	-	-	-	-
Pakistan Investments Bonds (PIBs)	-	6,331,471	-	6,331,471	-	-	-	-
Market Treasury Bills	-	-	-	-	-	-	-	-
Investments in Listed Equity Securities	-	455,727	-	455,727	-	-	-	-
Letter of placement	-	-	-	-	-	-	-	-
Receivable against margin trading system	-	-	8,544	8,544	-	-	-	-
Profit receivable	-	-	386,374	386,374	-	-	87,201	87,201
Advances, deposits and prepayments	-	-	1,499,528	1,499,528	-	-	-	-
	-	7,865,267	23,136,355	31,001,622	-	-	10,217,035	10,217,035
Financial liabilities								
Payable to the HBL Asset Management Company - Asset Management Company	-	-	37,414		37,414	-	-	-
Payable to the Central Depository Company - Trustee	-	-	2,028	2,028		-	471	471
Payable against purchase of investments	-	-	-		-	-	-	-
Payable against redemption of units	-	-	1,119		1,119	-	-	-
Accrued expenses and other liabilities	-	-	5,578		5,578	-	94,621	-
	-	-	46,139	46,139		-	95,092	471

	2025							
	Plan I				Plan II			
	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total	At fair value through OCI	At fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------							
Financial assets								
Bank balances	-	-	15,975,840	15,975,840	-	-	9,168,568	9,168,568
Investments								-
Corporate Sukuk Bonds	-	236,504	-	236,504	-	-	-	-
Term Finance Certificates (TFCs)	-	1,035,785	-	1,035,785	-	-	-	-
Pakistan Investments Bonds (PIBs)	-	4,824,787	-	4,824,787	-	-	-	-
Market Treasury Bills	-	-	-	-	-	-	-	-
Investments in Listed Equity Securities	-	487,751	-	487,751	-	-	-	-
Letter of placement	-	-	1,000,000	1,000,000	-	-	-	-
Investment in margin trading system	-	-	3,869,617	3,869,617	-	-	-	
Profit receivable	-	-	504,347	504,347	-	-	49,583	49,583
Advances, deposits, prepayments and other receivables	-	-	33,624	33,624	-	-	-	-
	-	6,584,827	21,383,428	27,968,255	-	-	9,218,151	9,218,151
Financial liabilities								
Payable to the HBL Asset Management Company - Asset Management Company	-	-	49,645	49,645	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	2,851	2,851	-	-	232	232
Payable against purchase of investments	-	-	6,911	6,911	-	-	-	
Payable against redemption of units	-	-	376,665	376,665	-	-	-	
Accrued expenses and other liabilities	-	-	98,645	98,645	-	-	8,947	8,947
	-	-	534,717	534,717	-	-	9,179	9,179

19 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

19.1 Connected persons/Related parties include HBL Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members and key management personnel of the Management Company.

19.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and NBFC Regulations which are publicly available documents.

19.3 Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

19.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

		2026			2025		
		Plan I	Plan II	Total	Plan I	Plan II	Total
19.1	Transactions during the year	------ Rupees in '000 ------			------ Rupees in '000 ------		
	HBL Asset Management Limited - Management Company						
	Remuneration of the HBL Asset Management Company	468,732	16,764	485,496	681,299	20,350	701,649
	Sindh Sales Tax on remuneration of the Management Company	74,274	2,529	76,803	102,195	3,052	105,247
	Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	315	-	315
	Selling and marketing expense						
	HBL Asset Management Limited - Management Company						
	Issue of 30,525,298 units (2025: 1,908,655 units)	3,241,174	-	3,241,174	200,027	-	200,027
	Redemption of 30,525,569 units (2025: 7,089,576 units)	3,326,728	-	3,326,728	1	-	1
	Dividend paid nill units (2025: 11 units)	-	-	-	763,328	-	763,328
	Refund of capital nill units (2025: 21 units)	-	-	-	2	-	2
	Habib Bank Limited - Sponsors						
	Bank Charges	25	-	25	401	-	401
	Profit on bank deposit earned	132,929	3,713	136,642	132,929	293,092	426,020
	HBL Micro Finance Bank						
	Profit on bank deposit earned	2,261,483	-	2,261,483	2,261,483	-	2,261,483
	Sale of market treasury bills 3 months	99,468	-	99,468	99,468	-	99,468
	Directors and Executives of the Management Company						
	Issue of 3,469,313 units (2025: 2,012,213 units)	367,266	-	367,266	440,470	-	440,470
	Redemption of 3,371,407 units (2025: 1,927,298 units)	358,702	-	358,702	490,722	-	490,722
	Dividend paid 626 units (2025: 626 units)	85	-	85	18	-	18
	Refund of capital 9,055 units (2025: 9,055 units)	928	-	928	86	-	86
	HBL Asset Management Limited - Employees Gratuity Fund						
	Issue of nil units (2025: 19 units)	-	-	-	2	-	2
	Dividend paid 7,472 units (2025: 10,175 units)	766		766	1,039		1,039
	Refund of capital nil units (2025: 1 units)	-	-	-	-	-	
	Issue of 24,124 units (2025: 60 units)	2,500	-	2,500	7	-	7
	Dividend paid 26,190 units (2025: 32,911 units)	2,683	-	2,683	3,360	-	3,360
	Refund of capital 275 units (2025: 6 units)	28	-	28	1	-	
	Central Depository Company of Pakistan Limited - Trustee						
	Trustee remuneration	27,101	8,313	35,414	39,576	3,163	42,739
	Sindh Sales Tax payable on the Trustee fee	568	1,233	1,801	5,936	474	6,410
	Central Depository Service charges	516	-	516	516	-	516
	Shahid Adamjee Connected person due to holding more than 10%						
	Issue of 18,115,547 units (2025: nil units)	1,857,137	-	-	-	-	-
	Redemption of 8,708,482 units (2025: nil units)	963,350	-	-	-	-	-

	2026			2025		
	Plan I	Plan II	Total	Plan I	Plan II	Total
	------ Rupees in '000 ------			------ Rupees in '000 ------		
Habib Bank Limited - Sponsors						
Sale of Pakistan Investment bond 5 Years	-	-	-	2,064,227	-	2,064,227
Sale of Market Treasury bills 3 Months	487,817	-	487,817	1,549,401	-	1,549,401
Sale of Market Treasury bills 12 Months	451,937	-	451,937	1,614,502	-	1,614,502
Sale of Market Treasury bills 6 Months	474,593	-	474,593	437,152	-	437,152
Purchase of Market Treasury bills 12 Months	-	-	-	2,431,568	-	2,431,568
Purchase of Pakistan Investment bond 2 Years	-	-	-	802,383	-	802,383
Sale of Pakistan Investment bond 2 Years	-	-	-	399,390	-	399,390
HBL Governement Securities Fund						
Purchase of Market Treasury bills 12 Months	74,024	-	74,024	772,428	-	772,428
HBL Cash Fund						
Sale of market treasury bill 12 months	-	-	-	723,554	-	723,554
Sale of market treasury bill 6 months	-	-	-	939,141	-	939,141
Purchase of market treasury bill 3 months	-	-	-	249,731	-	249,731
HBL IPF Money market sub Fund						
Sale of market treasury bill 12 months	-	-	-	8,765	-	8,765
HBL Islamic Income Fund						
Purchase of KE sukuk	241,352	-	-	-	-	-
HBL Money Market Fund						
Sell of PIB 2 years	1,500,000	-	-	-	-	-
Sale of market treasury bill 12 months	-	-	-	292,175	-	292,175
HBL Total Treasury - Exchange Traded Fund (CIS managed by management company)						
Purchase of market treasury bill 12 months	-	-	-	95,139	-	95,139
Karachi Shipyard & Engineering Works Ltd						
Connected person due to holding more than 10%						
Issue of nil units (2026: 15,067,616 units)	-	-	-	1,616,779	-	1,616,779
Redemption of nil units (2025: 1,883,960 units)	-	-	-	215,000	-	215,000
Dividend paid nil units (2025: 944,822 units)	-	-	-	1,262,000	-	1,262,000
Refund of capital nil units (2025: 703,192 units)	-	-	-	71,787	-	71,787
Pakistan Oilfields Limited						
Connected person due to holding more than 10%						
Issue of 209,743,964 units (2025: 257,952,827 units)	-	20,986,049	20,986,049	-	25,900,847	25,900,847
Redemption of 192,002,594 units (2025: 187,460,363 units)	-	14,982,253	14,982,253	-	18,461,759	18,461,759
Dividend paid of nil units (2025: nil units)	-	-	-	-	-	-
Refund of capital of nil units	-	635,735	635,735	-	-	-
Master Changan Motors Limited						
Connected person due to holding more than 10%						
Issue of 20,227,264 units (2025: 20,227,264 units)	-	-	-	-	2,028,371	2,028,371

	2026			2025		
	Plan I	Plan II	Total	Plan I	Plan II	Total
Balance outstanding as at year end	------ Rupees in '000 ------			------ Rupees in '000 ------		
HBL Asset Management Limited						
Remuneration Payable to the HBL Asset Management Company - Asset Management Company	35,933	481	36,414	47,213	647	47,860
Sindh Sales Tax payable on remuneration of the Management Company	5,390	72	5,462	7,082	97	7,179
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	-	-	-	-
Sales load payable	1,481	-	1,481	2,432	-	2,432
Central Depository Company of Pakistan Limited - Trustee						
Trustee fee payable	2,028	471	2,499	2,851	232	3,083
Sindh Sales Tax payable on remuneration of the trustee	304	71	375	428	35	463
Security deposit	100	-	100	100	-	100
Habib Bank Limited - Sponsor						
Bank balances	1,846,181	5,447	1,851,629	4,265,563	9,023,208	13,288,771
Profit Receivable	467	2,111	2,578	467	32	500
HBL Micro Finance Bank						
Bank Balances	17,225,610	-	17,225,610	11,427,111	95,355	11,522,465
Profit Receivable	177,473	-	177,473	215,885	-	215,885
HBL Asset Management Limited						
Units held: nil units (2025: 272 units)	-	-	-	28	-	28
HBL Asset Management Limited Employees Provident Fund Associate						
Units held: 304,583 units (2025: 253,995 units)	31,263	-	31,263	26,018	-	26,018
HBL Asset Management Limited Employees Gratuity Fund Associate						
Units held: 85,997 units (2025: 78,524 units)	8,827	-	8,827	8,044	-	8,044
Shahid Adamjee						
Connected person due to holding more than 10%						
Units held: 9,407,065 units (2025: nil units)	965,560	-	965,560	-	-	-
Directors and executives of the Management Company						
Connected person due to holding more than 10%						
Units held: 115,339 units (2025: 7,918 units)	11,839	-	11,839	811	-	811
Karachi Shipyard & Engineering Works Ltd						
Connected person due to holding more than 10%						
Units held: nil units (2025: 1,483,1671 units)	-	-	-	1,519,310	-	-
Pakistan Oilfields Limited						
Connected person due to holding more than 10%						
Units held: 93,743,964 units (2025: 71,482,496 units)	-	10,653,111	-	-	2,022,726	2,022,726

Name of related party	Nature of relationship	Basis of Association
HBL Asset Management Limited	Related party	Management Company
Habib Bank Limited	Related party	Sponsors
HBL Micro Finance Bank	Related party	Subsidiary of Sponsors
HBL Asset Management Limited - Employees Gratuity Fund	Related party	Fund under common Management
HBL Asset Management Limited - Employees Provident Fund	Related party	Fund under common Management
Central Depository Company of Pakistan Limited	Related party	Trustee
Ibrahim Holdings (Private) Limited	Related party	10% or more beneficial ownership of the units
HBL IPF Debt sub Fund	Related party	Fund under common Management
HBL Governement Securities Fund	Related party	Fund under common Management
HBL Cash Fund	Related party	Fund under common Management
HBL Income Fund	Related party	Fund under common Management
HBL IPF Money market sub Fund	Related party	Fund under common Management
HBL Islamic Asset Allocation Fund	Related party	Fund under common Management
HBL Islamic Income Fund	Related party	Fund under common Management
HBL Multi Asset Fund	Related party	Fund under common Management
HBL PF Debt sub Fund	Related party	Fund under common Management
HBL Money Market Fund	Related party	Fund under common Management
HBL Total Treasury - Exchange Traded Fund	Related party	Fund under common Management
Rafiuddin Zakir	Related party	10% or more beneficial ownership of the units
Karachi Shipyard & Engineering Works Ltd	Related party	10% or more beneficial ownership of the units
MCBFSL Trustee HBL Financial Planning Fund Active Allocation Plan	Related party	Fund under common Management
MCBFSL Trustee HBL Financial Planning Fund Conservative Allocation Plan	Related party	Fund under common Management
Pakistan Oilfields Limited	Related party	10% or more beneficial ownership of the units
Master Changan Motors Limited	Related party	10% or more beneficial ownership of the units

20 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in prime quality Financial Sector Sukuks, Bank depsoits, Listed equity securities, Market Treasury Bills, Letter of Placements and in other money market instruments. These activities are exposed to a variety of financial risks; namely, market risks, credit risks and liquidity risks.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure in marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee of the Fund and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as its full transactions are carried out in Pakistani Rupees.

20.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Cash flow interest rate risks

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 9.00% to 13.50% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 291.071 million (2025: Rs. 159.758 million) for Plan I and 101.298 million (2025 : 91.685) for Plan II.

b) Fair value interest rate risks

The Fund's investment in Pakistan Investment Bond, Market Treasury Bills and Corporate Sukuk, and Listed Equity Securities exposes it to fair value interest rate risk.

In case of 100 basis points increase/decrease in rates announced by the Financial Market Association of Pakistan on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would be lower/higher by Rs. 78.652 million (2025: 65.848 million) for Plan I.

The composition of the Fund's investment portfolio and rates announced by Financial Market Association of Pakistan is expected to change over time. Therefore, the sensitivity analysis prepared as of June 30, 2026 is not necessarily indicative of the effect on the Fund's net assets of future movements in interest rates.

Yield / interest rate sensitivity position for on-statement of financial position financial instruments is based on the earlier of contractual repricing or maturity date and for off-statement of financial position instruments is based on the settlement date.

Yield / interest rate sensitivity position for on-statement of financial position financial instruments is based on the earlier of contractual repricing or maturity date and for off-statement of financial position instruments is based on the settlement date.

Particulars	Plan I											
	As at June 30, 2026						As at June 30, 2025					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto th ree months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
On-balance sheet financial instruments	%	Rupees in '000					%	Rupees in '000				
Financial assets												
Bank balances	9%-12.50%	21,241,909	-	-	-	21,241,909	9.00%-21.15%	15,975,840	-	-	-	15,975,840
Investments						-						
Corporate Sukuk Bonds	13.07%-23.08%	150,000	-	-	-	150,000	13.07%-23.08%	236,504	-	-	-	236,504
Term Finance Certificates (TFCs)	12.36% -13.73%	928,069	-	-	-	928,069	12.48%-21.83%	1,035,785	-	-	-	1,035,785
Pakistan Investments Bonds (PIBs)		-	-	-	6,331,471	6,331,471		-	-	-	4,824,787	4,824,787
Market Treasury Bills		-	-	-	-	-		-	-	-	2,415,189	2,415,189
Investments in Listed Equity Securities		-	-	-	455,727	455,727		-	-	-	487,751	487,751
Letter Of Placement		-	-	-	-	-	11.70%	-	-	-	1,000,000	1,000,000
Investment in margin trading system		-	-	-	8,544	8,544		-	-	-	3,869,617	3,869,617
Profit receivable		-	-	-	386,374	386,374		-	-	-	504,347	504,347
Advances, deposits and prepayments		-	-	-	1,499,528	1,499,528		-	-	-	33,624	33,624
Sub total		22,319,978	-	-	8,681,644	31,001,622		17,248,129	-	-	13,135,315	30,383,444

Particulars	Plan I											
	As at June 30, 2026						As at June 30, 2025					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto th ree months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
Financial liabilities												
Payable to the HBL Asset Management Company - Asset Management Company		-	-	-	37,414	37,414		-	-	-	49,645	49,645
Payable to the Central Depository Company - Trustee		-	-	-	2,028	2,028		-	-	-	2,851	2,851
Payable against redemption of units		-	-	-	-	-		-	-	-	6,911	6,911
Payable against redemption of units					1,119	1,119		-	-	-	376,665	376,665
Accrued expenses and other liabilities		-	-	-	5,578	5,578		-	-	-	98,645	98,645
Sub total		-	-	-	46,139	46,139		-	-	-	534,717	534,717
On-balance sheet gap (a)		**22,319,978**	-	-	8,635,505	30,955,483		17,248,129	-	-	12,600,598	29,848,727
Off-balance sheet financial instruments												
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		**22,319,978**	-	-	8,635,505	30,955,483		17,248,129	-	-	12,600,598	29,848,727
Cumulative interest rate sensitivity gap		**22,319,978**	-	-	8,635,505	30,955,483		17,248,129	-	-	12,600,598	29,848,727

Particulars	Plan II											
	As at June 30, 2026						As at June 30, 2025					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year				Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000					%	Rupees in '000				
On-balance sheet financial instruments												
Financial assets												
Bank balances	9.00%-11.30%	-	-	-	10,129,834	10,129,834	10.65%-19.50%	-	-	-	9,168,568	9,168,568
Profit receivable		-	-	-	87,201	87,201		-	-	-	49,583	49,583
Sub total		-	-	-	10,217,035	10,217,035		-	-	-	9,218,151	9,218,151
Financial liabilities												
Payable to the HBL Asset Management Company - Asset Management Company		-	-	-	-	-		-	-	-	647	647
Payable to the Central Depository Company - Trustee		-	-	-	2,851	2,851		-	-	-	3,156	3,156
Accrued expenses and other liabilities		-	-	-	98,645	98,645		-	-	-	8,641	8,641
Sub total		-	-	-	101,496	101,496		-	-	-	12,444	12,444
On-balance sheet gap (a)		-	-	-	10,115,539	10,115,539		-	-	-	9,205,707	9,205,707
Off-balance sheet financial instruments												
Off-balance sheet gap (b)		-	-	-	-	-		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		-	-	-	**10,115,539**	**10,115,539**		-	-	-	**9,205,707**	**9,205,707**
Cumulative interest rate sensitivity gap		-	-	-	**10,115,539**	**10,115,539**		-	-	-	**9,205,707**	**9,205,707**

20.1.3 Price risk

Price risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.The Fund's overall exposure to price risk is limited to investment in listed equities.

The net assets of the Fund will increase / decrease by approximately Rs 4.557 million (2025: Rs. 4.877 million) for Plan I if the prices of equity vary due to increase / decrease in the PSX 100 index. This is based on the assumption that the fair value of the Fund's portfolio moves according to their historical correlation with the PSX 100 index and that the PSX 100 index increases / decreases by 1% on PSX 100 index with all other factors held constant.

20.2.1 The analysis below summarises the credit quality of the Fund's bank balances and Investments as at June 30, 2026 and June 30, 2025:

Name of bank / institutions	Pan I	Pan II	Latest available published rating as at June 30, 2026	Rating agency
	---(Rupees in '000')---			
Balances with banks by rating category				
HBL Micro Finance Bank Limited	1,856,799	-	A-1	PACRA
Soneri Bank Limited	56,687	-	A-1+	PACRA
U Micro Bank Ltd	6	-	A-1	PACRA
Mobilink Micro Bank Ltd	1,996,068	-	A-1	PACRA
Bank Alfalah Limited	80,600	-	A-1+	PACRA
Khushhali Micro Finance Bank Limited	57	-	A-2	VIS
Allied Bank Limited	21	-	A-1+	PACRA
Meezan Bank Limited	10	-	A-1+	VIS
National Bank of Pakitsan	13	-	A-1+	PACRA
Dubai Islamic Bank	10	-	A-1+	VIS
United Bank Limited	26,029	-	A-1+	VIS
Habib Metropolitan Bank Limited	17,225,610	-	A-1+	PACRA
Habib Bank Limited	-	946,675	A-1+	VIS
Habib Metropolitan Bank Limited	-	927	A-1+	PACRA
Faysal Bank Limited	-	6	A-1+	PACRA
United Bank Limited	-	9,178,589	A-1+	VIS
Soneri Bank Limited	-	3,638	A-1+	PACRA
	21,241,910	10,129,835		

Investments by rating category

Name of investee company	Balances held by the Fund as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	(Rupees in '000')		
Corporate sukuk / TFC bonds - Unlisted			
Citi Pharma Limited	150,000	A+	VIS
Bank Al-Habib Limited	507,048	AAA	PACRA
Soneri Bank Limited	394,889	A-1+	PACRA
kashf Foundation	26,132	A-1+	PACRA
Total Investments	**1,078,069**		

Balances with banks by rating category

Name of bank / institutions	Pan I	Pan II	Latest available published rating as at June 30, 2025	Rating agency
	---(Rupees in '000')---			
HBL Micro Finance Bank Limited	11,427,111	-	A+	PACRA
Soneri Bank Limited	63,882	-	A1+	PACRA
Habib Bank Limited	4,265,563	-	A1+	VIS
U Micro Bank Ltd	6	-	A+	PACRA
Mobilink Micro Bank Ltd	14	-	A-1	PACRA
Bank Alfalah Limited	420	-	A-1+	PACRA
Khushhali Micro Finance Bank Limited	16	-	A-2	VIS
Finca Micro Finance Bank	-	-	A-2	VIS
Allied Bank Limited	21	-	A-1+	PACRA

Name of bank / institutions	Pan I	Pan II	Latest available published rating as at June 30, 2025	Rating agency
	---(Rupees in '000')---			
Meezan Bank Limited	10	-	A-1+	VIS
National Bank of Pakitsan	13	-	A-1+	PACRA
Dubai Islamic Bank	10	-	A-1+	VIS
Habib Bank Limited	-	9,023,208	A-1+	VIS
Habib Metropolitan Bank Limited	-	95,355	A-1+	PACRA
Faysal Bank Limited	-	6	A-1+	PACRA
United Bank Limited	218,775	50,000	A-1+	VIS
	15,975,841	9,168,569		

Investments by rating category

Name of investee company	Balances held by the Fund as at June 30, 2025	Latest available published rating as at June 30, 2025	Rating agency
	(Rupees in '000')		
Corporate sukuk / TFC bonds - Unlisted			
K-Electric Limited	236,504	AA	PACRA
Askari Bank Limited	121,097	AA-	PACRA
Bank Al-Habib Limited	515,088	AAA	PACRA
Soneri Bank Limited	399,600	A+	PACRA
Total Investments	**1,272,289**		

20.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2026	2025
	------ (Percentage) ------	
A-1+	87.72%	55%
A-1	12.28%	0.00%
A+	0.00%	45%
	100%	100%

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in bank balances while the remaining transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentration of credit risk to counterparties other than the Government. There is no concentration of credit risk at reporting date.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unitholders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow in the short term to ensure settlement. The maximum amount available to the Fund from the borrowing would be limited to 15% of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current year, no borrowing was made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year (2025: None).

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	As at June 30, 2026							
	Plan I				Plan II			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
Financial liabilities	Rupees in '000							
Payable to the HBL Asset Management Company - Asset Management Company	37,414	-	-	37,414	-	-	-	-
Payable to the Central Depository Company - Trustee	2,028	-	-	2,028	471	-	-	471
Payable against purchase of investments	-	-	-	-	-	-	-	-
Payable against redemption of units	1,119	-	-	1,119	-	-	-	-
Accrued expenses and other liabilities	5,578	-	-	5,578	94,621	-	-	94,621
	46,139	-	-	46,139	95,092	-	-	95,092

Particulars	As at June 30, 2025							
	Plan I				Plan II			
	Upto three months	More than three months and upto one year	More than one year	Total	Upto three months	More than three months and upto one year	More than one year	Total
Financial liabilities	Rupees in '000							
Payable to the HBL Asset Management Company - Asset Management Company	49,645	-	-	49,645	-	-	-	-
Payable to the Central Depository Company - Trustee	2,851	-	-	2,851	610	-	-	610
Payable against purchase of investments	6,911	-	-	6,911	-	-	-	
Payable against redemption of units	376,665	-	-	376,665	-	-	-	-
Accrued expenses and other liabilities	98,645	-	-	98,645	-	-	-	-
	534,717	-	-	534,717	610	-	-	610

21 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level 3).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

Particulars		June 30, 2026						
		Plan I						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	---------- (Rupees in '000) ----------						
Financial assets measured at fair value								
Corporate Sukuk Bonds		150,000	-	150,000	-	150,000	-	150,000
Term Finance Certificates (TFCs)		928,069	-	928,069	-	928,069	-	928,069
Pakistan Investments Bonds (PIBs)		6,331,471	-	6,331,471	-	6,331,471	-	6,331,471
Investments in Listed Equity Securities		455,727	-	455,727	455,727	-	-	455,727
		7,865,267	-	7,865,267	455,727	7,409,540	-	7,865,267
Financial assets not measured at fair value	22.1							
Letter of placements		-	-	-				
Bank balances		-	21,241,909	21,241,909				
Receivable against margin trading system		-	8,544	8,544				
Profit receivable		-	386,374	386,374				
Advances, deposits, prepayments and other receivables		-	1,499,528	1,499,528				
		-	23,136,355	23,136,355				

Particulars	June 30, 2026						
	Plan I						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)					
Financial liabilities not measured at fair value	22.1						
Payable to the HBL Asset Management Company - Asset Management Company	-	37,414	37,414				
Payable to the Central Depository Company - Trustee	-	2,028	2,028				
Payable against purchase of investments	-	-	-				
Payable against redemption of units	-	1,119	1,119				
Accrued expenses and other liabilities	-	5,578	5,578				
	-	46,139	46,139				

Particulars	June 30, 2026						
	Plan II						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	(Rupees in '000)					
Financial assets not measured at fair value	22.1						
Bank balances	-	10,129,834	10,129,834				
Profit receivable	-	87,201	87,201				
	-	10,217,035	10,217,035				
Financial liabilities not measured at fair value	22.1						
Payable to the HBL Asset Management Company - Asset Management Company	-	471	471				
Payable to the Central Depository Company - Trustee	-	-	-				
Accrued expenses and other liabilities	-	-	-				
	-	471	471				

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Note	June 30, 2025						
		Plan I						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets measured at fair value								
Corporate Sukuk Bonds		236,504	-	236,504	-	236,504	-	236,504
Term Finance Certificates (TFCs)		1,035,785	-	1,035,785	-	1,035,785	-	1,035,785
Pakistan Investments Bonds (PIBs)		4,824,787	-	4,824,787	-	4,824,787	-	4,824,787
Market Treasury Bills		-	-	-	-	-	-	-
Investments in Listed Equity Securities		487,751	-	487,751	487,751	-	-	487,751
		6,584,827	-	6,584,827	487,751	6,097,077	-	6,584,827
Financial assets not measured at fair value	22.1							
Letter of placements		-	1,000,000	1,000,000				
Bank balances		-	15,975,840	15,975,840				
Receivable against margin trading system		-	3,869,617	3,869,617				
Profit receivable		-	504,347	504,347				
Advances, deposits, prepayments and other receivables		-	33,624	33,624				
		-	21,383,428	21,383,428				
Financial liabilities not measured at fair value	22.1							
Payable to the HBL Asset Management Company - Asset Management Company		-	49,645	49,645				
Payable to the Central Depository Company - Trustee		-	2,851	2,851				
Payable against purchase of investments		-	6,911	6,911				
Payable against redemption of units		-	376,665	376,665				
Accrued expenses and other liabilities -			98,645	98,645				
		-	534,717	534,717				

Particulars	Note	June 30, 2025						
		Plan II						
		Carrying amount			Fair value			
		Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
		(Rupees in '000)						
Financial assets not measured at fair value	22.1							
Bank balances		-	9,168,568	9,168,568	-	-	-	-
Profit receivable		-	49,583	49,583	-	-	-	-
		-	9,218,151	9,218,151	-	-	-	-
Financial liabilities not measured at fair value	22.1							
Payable to the HBL Asset Management Company - Asset Management Company		-	610	610	-	-	-	-
Payable to the Central Depository Company - Trustee		-	-	-	-	-	-	-
Accrued expenses and other liabilities -			-	-	-	-	-	-
		-	610	610	-	-	-	-

22.1 The Fund has not disclosed the fair values for these financial assets and financial liabilities, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

22.2 Transfers during the year

No transfer were made between various levels of fair value hierarchy during the year.

23 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Brokers during the year ended June 30, 2026

1 A.H.M. Securities (Private) Limited
2 AKD Securities Limited
3 Sherman Securities (Private) Limited

Brokers during the year ended June 30, 2025

1 Continental Exchange (Private) Ltd.
2 Optimus Capital Management (Private) Ltd
3 A.H.M. Securities (Private) Limited
4 AKD Securities Limited
5 Alfalah CLSA Securities (Private) Limited
6 BMA Capital Management Limited
7 First Credit And Investment Bank Limited
8 Pearl Securities Limited
9 Summit Capital (Private) Limited
10 Invest One Market Ltd

24 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S.no	Name	Designation	Qualification	Experience in years
1	Mir Adil Rashid	Chief Executive Officer	BSc	26+
1	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
2	Amin Mohammad	Head of Risk	MBA	32+
3	Hammad Ali Abbas	Senior Fund Manager	MSC	20+
4	Nida Siddiqui	Assistant Fund Manager	MBA	1

25 PATTERN OF UNITHOLDING

Category	Plan I			
	As at June 30, 2026			
	Number of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Insurance companies	1	106	10.89	0.00%
Trust	13	965,000	99,050	1.03%
Retirement Funds	27	5,377,369	551,944	5.74%
Other Corporate	66	8,058,823	827,174	8.61%
Individuals	2299	79,203,771	8,129,633	84.61%
	2406	93,605,069	9,607,811	100.00%

Category	Plan II			
	As at June 30, 2026			
	Number of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Retirement Funds	1	2,127,947	213,847	2.14%
Individuals	1	5,127	515	0.01%
Other Corporate	3	97,135,438	9,761,568	97.85%
		99,268,512	9,975,930	100.00%

Category	Plan I			
	As at June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Associated Companies	1	272	27.82	0.00%
Insurance companies	1	99	10.18	0.00%
Trust	19	1,724,044	176,606	1.57%
Retirement Funds	29	9,642,802	987,779	8.78%
Other Corporate	91	66,258,907	6,787,357	60.30%
Individuals	2121	32,251,105	3,303,703	29.35%
		109,877,229	11,255,482	100%

Category	Plan II			
	As at June 30, 2025			
	Number of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Other Corporate	1	91,709,728	9,170,973	100.00%
		91,709,728	9,170,973	100%

26 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2025 , October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026, June 23, 2026. Information in respect of the attendance by the Directors in the meetings is given below:

	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave	
1	Mr. Shahid Ghaffar	9	9	-	January 0, 1900
2	Mr. Mir Adil Rashid	9	9	-	0
3	Mr. Khalid Malik	9	9	-	0
4	Ms. Sheeza Ahmed	9	9	-	-
5	Ms. Ava A. Cowasjee	9	8	1	-
6	Mr. Tariq Masaud	9	8	1	October 30, 2025
7	Mr. Abrar Ahmed Mir	9	4	5	October 20, 2025, April 29, 2026, February 25, 2026, June 04, 2026, June 23, 2026.
8	Mr. Rayomond H. Kotwal	6	5	1	December 22, 2025
9	Mr. Habib Yousuf Habib	3	3	-	-
10	Ms. Sahar Awan	3	3	-	-
11	Mr. Irfan Ahmed Meer	2	2	-	-

27 TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 9.1 of these financial statements. The TER for the year ended June 30, 2026 is 1.66% (2025: 1.68%) and 0.33% (2025: 0.28%) which includes 0.28% and 0.10% representing Government Levy and SECP fee of HBL Financial Sector Income Fund Plan I and Plan II respectively.

28 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the current year.

29 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Total Treasury Exchange Traded Fund

FUND INFORMATION

NAME OF FUND	HBL Total Treasury Exchange Traded Fund
NAME OF AUDITOR	Yousuf Adil, Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited (CDC)
BANKERS	Soneri Bank limited

Type and Category of Fund

Open end Exchange Traded Fund

Investment Objective and Accomplishment of Objective

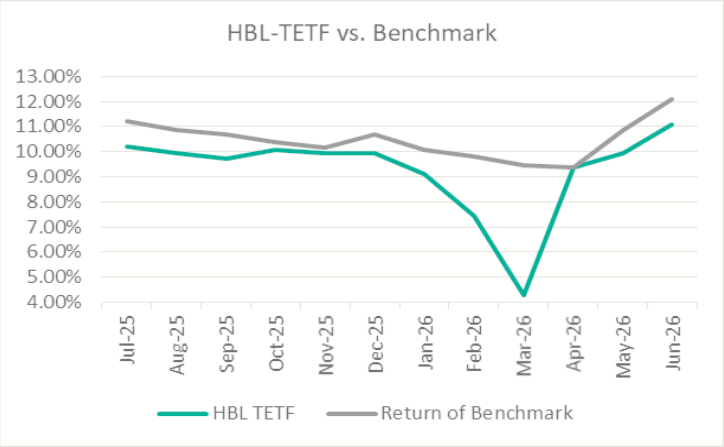
HBL Total Treasury Exchange Traded Fund (HBL TT ETF) is an open-ended scheme that is traded on Pakistan Stock Exchange and shall aim to track the performance of its specified Benchmark Index.

Benchmark and Performance Comparison with Benchmark

The Benchmark of the Fund is HBL Total Treasury Index

The comparison of the fund return with benchmark is given below:

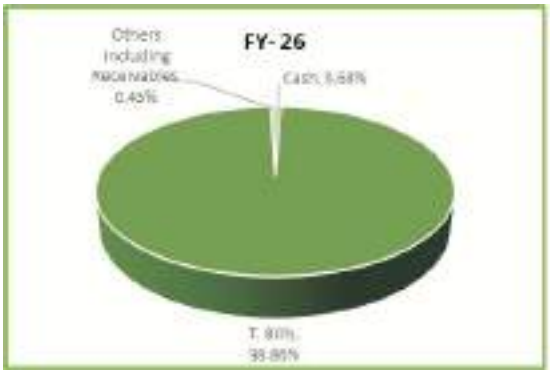
Month	HBL-TETF	Benchmark
Jun-26	11.06%	12.11%
May-26	9.92%	10.86%
Apr-26	9.35%	9.38%
Mar-26	4.27%	9.46%
Feb-26	7.45%	9.83%
Jan-26	9.12%	10.05%
Dec-25	9.95%	10.69%
Nov-25	9.96%	10.17%
Oct-25	10.06%	10.39%
Sept-25	9.70%	10.70%
Aug-25	9.95%	10.86%
Jul-25	10.21%	11.19%

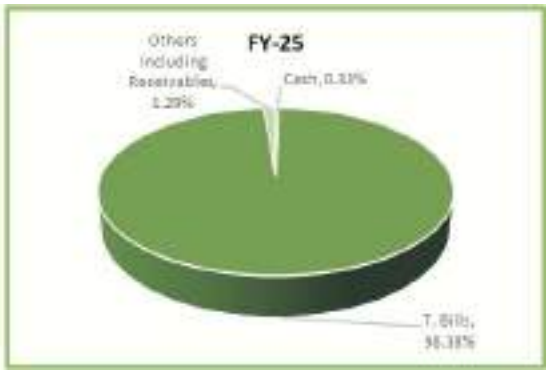


Strategies and Policies employed during the Year

As at June end, the fund tracked the index and 98.86% of the net assets were deployed in T-bills while cash exposure was recorded at 0.68%. The Fund's exposures move in tandem with the index.

Asset Allocation





Fund Performance

The total income and net income of the Fund was Rs. 55.27 million and Rs. 49.84 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 103.4503 per unit as on June 30, 2026 (after incorporating dividend of Rs. 9.75 per unit) thereby giving an annualized return of 9.66%. During the same period, the benchmark return was 9.34%. The size of Fund was Rs. 517 million as on June 30, 2026 as compared to Rs. 516 million as at start of the year.

Money Market Review

During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution

The Fund has distributed cash dividend of Rs. 9.75 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	101	7,993
101 - 500	65	24,807
501 - 1,000	26	23,100
1,001 - 10,000	27	84,900
10,001 - 100,000	5	161,250
100,001 - 500,000	3	657,100
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	1	4,040,850
5,000,001 and above	-	-
Total	**228**	**5,000,000**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL TOTAL TREASURY EXCHANGE FUND

As at June 30, 2026

	2026	2025	2024	2023
NET ASSETS AND PRICES				
Net assets at the period end(Rs'000)	517,251	516,159	508,766	501,324
Net asset value per unit at the period end/period end(Rs) *	103.4503	103.2316	101.7531	10.0265
Selling price/repurchasing price *	103.4503	103.2316	101.7531	10.0265
OFFER / REDEMPTION DURING THE PERIOD - RUPEES				
Highest selling price per unit(Rs) *	113.1303	118.8799	121.3103	11.4055
Lowest selling price per unit(Rs) *	103.2591	101.7996	10.4265	10.0000
Highest repurchase price per unit(Rs) *	113.1303	118.8799	121.3103	11.4055
Lowest repurchasing price per unit(Rs) *	103.2591	101.7996	10.4265	10.0000
RETURN (%)				
Total return	9.66%	17.23%	21.40%	17.83%
Income distribution	9.44%	15.72%	19.95%	17.50%
Capital growth	0.22%	1.51%	1.45%	0.33%
DISTRIBUTION				
Final dividend distributation *	0.00	16.00	20.00	1.40
Total dividend distribution for the year/ period *	9.75	16.00	20.00	1.40
AVERAGE RETURNS (%)				
Average annual return 1 year	9.66%	17.23%	21.40%	17.83%
Average annual return 2 year	13.45%	19.32%	19.62%	N/A
Average annual return 3 year	16.10%	18.82%	N/A	N/A
Weighted average portfolio during (No. of days)	71	127	204	13
PORTFOLIO COMPOSITION (%)				
Percentage of Total Assets as at 30 June:				
Bank Balances	0.68%	0.33%	1.41%	0.76%
T. Bills	98.86%	98.38%	88.40%	99.15%
PIBs	0.00%	0.00%	9.18%	0.00%
Others including Receivables	0.45%	1.29%	1.01%	0.09%

Disclaimer:

* Management company affected the consolidation of units in the ratio of 10 units for every 100 units disclosed in Note 15.1 of financial statement.

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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Tel: (92-21) 111-111-500
Fax: (92-21) 34326031-33
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL TOTAL TREASURY EXCHANGE TRADED FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Total Treasury Exchange Traded Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

YOUSUF ADIL
PACE ALIGNED ...

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of HBL Total Treasury Exchange Traded Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **HBL Total Treasury Exchange Traded Fund** (the Fund), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended and notes to the financial statement comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2026, and of its financial performance and its cash flows for the year then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund and HBL Asset Management Limited (the Management Company) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Valuation and existence of investments** The investments constitute the most significant component of net asset value (NAV). The investments of the fund as at June 30, 2026, amounted to Rs. 563.555 million. The existence and proper valuation of the investment for the determination of NAV of the fund as at June 30, 2026, was considered a high risk area and therefore we considered this as a key audit matter.	We performed the following procedures during our audit of investments: • obtained the investors' Portfolio Securities Account Statements for verifying the existence of the government securities portfolio as at June 30, 2026; and • re-performed valuation to assess that investments are carried out as per the valuation methodology specified in the accounting policies.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements have been prepared in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Hena Sadiq**.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: September 28, 2026
UDIN: AR202610057nx6ZRD7YE

HBL TOTAL TREASURY EXCHANGE TRADED FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	June 30, 2026	June 30, 2025
ASSETS		------ (Rupees in '000) ------	
Bank balances	5	**3,426**	7,188
Investments	6	**563,555**	514,966
Profit / markup receivable	7	**14**	18
Preliminary expenses and floatation costs	8	**111**	200
Advance and deposit	9	**2,156**	2,156
Total assets		**569,262**	524,528
LIABILITIES			
Payable to the Management Company	10	**212**	771
Payable to the Trustee	11	**53**	54
Payable to SECP	12	**44**	44
Dividend payable		**49,891**	2,203
Accrued expenses and other liabilities	13	**1,811**	5,297
Total liabilities		**52,011**	8,369
NET ASSETS		**517,251**	516,159
UNIT HOLDERS' FUND (AS PER STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND)		**517,251**	516,159
CONTINGENCIES AND COMMITMENTS	14		
		------(Number of units)------	
NUMBER OF UNITS IN ISSUE		**5,000,000**	5,000,000
		------ (Rupees) ------	
NET ASSETS VALUE PER UNIT	4.7	**103.4503**	103.2316

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL TOTAL TREASURY EXCHANGE TRADED FUND
Income Statement
For the year ended June 30, 2026

	Note	June 30, 2026	June 30, 2025
INCOME		----- (Rupees in '000) -----	
Capital gain on sale of investments - net		-	11,462
Income from government securities		**53,853**	78,509
Profit on bank deposit		**3,009**	1,217
Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss' - net	6.2	**(1,589)**	1,507
Other income		-	82
Total income		**55,273**	92,777
EXPENSES			
Remuneration of the Management Company	10.1	**2,165**	2,132
Sindh sales tax on remuneration of the Management Company	10.2	**325**	320
Remuneration of the Trustee	11.1	**541**	558
Sindh sales tax on remuneration of the Trustee	11.2	**81**	84
SECP fee	12.1	**514**	530
Allocated expense		-	229
Auditors' remuneration	15	**850**	636
Fees and subscription		**323**	351
Legal and professional charges		**216**	149
Settlement and bank charges		**235**	205
Printing and stationery		**92**	104
Amortisation of preliminary expenses		**89**	86
		5,431	5,384
Element of income and capital gains included in prices of units issued less those in units redeemed - net		-	-
Net income for the year before taxation		**49,842**	87,393
Taxation	16	-	-
Net income for the year after taxation		**49,842**	87,393
Allocation of net income for the period			
Accounting income available for distribution:			
Relating to capital gains		-	12,969
Excluding capital gains		**49,842**	74,424
		49,842	87,393
		49,842	87,393
		----- (Rupees) -----	
Earnings per unit		**9.97**	17.48

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL TOTAL TREASURY EXCHANGE TRADED FUND
STATEMENT OF OTHER COMPREHENSIVE INCOME
For the year ended June 30, 2026

	June 30, 2026	June 30, 2025
	-------- (Rupees in '000) --------	
Net income for the year after taxation	**49,842**	87,393
Other comprehensive income	**-**	-
Total comprehensive income for the year	**49,842**	87,393

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive**	**Director**

HBL TOTAL TREASURY EXCHANGE TRADED FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	June 30, 2026			June 30, 2025		
	Capital value	**Undistributed income**	**Total**	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the year	**500,000**	**16,159**	**516,159**	500,000	8,766	508,766
Total comprehensive income for the year	**-**	**49,842**	**49,842**	-	87,393	87,393
Interim distribution of Rs. 9.75 per unit declared on June 29, 2026 as cash dividend (2025: Rs. 16 per unit)	**-**	**(48,750)**	**(48,750)**	-	(80,000)	(80,000)
	-	**1,092**	**1,092**	-	7,393	7,393
Net assets at end of the year	**500,000**	**17,251**	**517,251**	500,000	16,159	516,159
Undistributed income brought forward						
- Realised		**14,652**			10,123	
- Unrealised		**1,507**			(1,357)	
		16,159			8,766	
Accounting income available for distribution						
- Relating to capital gains		**-**			12,969	
- Excluding capital gains		**49,842**			74,424	
		49,842			87,393	
Distribution for the year		**(48,750)**			(80,000)	
Undistributed income carried forward		**17,251**			16,159	
Undistributed income carried forward						
- Realised		**18,840**			14,652	
- Unrealised		**(1,589)**			1,507	
		17,251			16,159	
		Rupees			Rupees	
Net asset value per unit at beginning of the year		**103.2316**			101.7531	
Net asset value per unit at end of the year		**103.4503**			103.2316	

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	**Chief Executive**	**Director**

	Note	June 30, 2026	June 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		----- (Rupees in '000) -----	
Net income for the year before taxation		**49,842**	87,393
Adjustments for non-cash and other items:			
Capital gain on sale of investments - net		**-**	(11,462)
Income from government securities		**(53,853)**	(78,509)
Profit on bank deposit		**(3,009)**	(1,217)
Unrealised gain / (loss) on re-measurement of investments at fair value through profit or loss - net		**1,589**	(1,507)
Preliminary expenses and floatation costs		**89**	86
		(5,342)	(5,216)
Increase in assets			
Investments - net		**(50,178)**	(23)
		(50,178)	(23)
(Decrease) / Increase in liabilities			
Payable to the Management Company		**(559)**	(98)
Payable to the Trustee		**(1)**	-
Payable to SECP		**-**	(2)
Accrued expenses and other liabilities		**(3,486)**	4,788
		(4,046)	4,688
Net Cash used in operations		**(59,566)**	(551)
Income received from government securities		**53,853**	81,125
Profit received on bank deposits		**3,013**	1,306
		56,866	82,430
Net cash (used in) / generated from operating activities		**(2,700)**	81,879
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		**(1,062)**	(83,135)
Net cash used in financing activities		**(1,062)**	(83,135)
Net decrease in cash and cash equivalents		**(3,762)**	(1,256)
Cash and cash equivalents at beginning of the year		**7,188**	8,444
Cash and cash equivalents at end of the year	5	**3,426**	7,188

The annexed notes 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Total Treasury Exchange Traded Fund (the Fund) was established under a Trust Deed, dated August 16, 2021 under the Sindh Trusts Act, 2020 (the Sindh Trusts Act) executed between HBL Asset Management Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) as a unit trust scheme on November 30, 2021. The Fund is registered on December 06, 2021.

1.2 The Trust Act, 1882 has been repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment to the Constitution of Pakistan. Accordingly, on August 24, 2021, the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.

1.3 HBL Asset Management Limited is the Management Company of the Fund which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund For Economic Development S.A (AKFED), is the parent company of Habib Bank Limited.

1.4 The Management Company of the Fund has been registered as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake asset management services. The registered office of the Management Company is situated at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.5 The Fund has been categorised as Exchange Traded Fund as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CIS). The Fund is an open-ended mutual fund and is listed on the PSX. The units are transferable and can also be redeemed by surrendering to the Fund. The Fund is a hybrid fund having features of both open and closed end fund. A concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contract with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either hold units or trade them in the PSX. Consequently, upon trading, the holder of the units keeps on changing. Moreover, on issuance and redemption of units, the basket of units will be exchanged between AP and Management Company and cash will be paid / received if there is a difference in the applicable net asset value of a creation unit and the market value of the portfolio deposit.

1.6 The investment objective of the Fund is to invest in a particular basket of government securities to track the performance of component securities of the benchmark index which is constituted and managed by the Management Company.

1.7 VIS Credit Rating Company Limited has assigned management quality rating of AM1 dated December 31, 2025 to the Management Company and "AA-(f)'' as stability rating dated December 29, 2025 to the Fund.

1.8 Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of :

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of, directives and notifications issued under the Act along with part VIIIA of the repealed Companies Ordinance, 1984; and
- NBFC Rules, Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS, the provisions of and directives issued under the Act, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

2.2 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a degree of judgment or complexity, or areas where estimates and assumptions are significant to the financial statements are as follows:

(a) Classification and measurement of financial assets (notes 4.1.1.1 and 6)
(b) Impairment of financial assets (note 4.1.1.3)
(c) Provisions (note 4.3)
(d) Classification and measurement of financial liabilities (note 4.1.2.1)
(e) Contingencies and Commitments (note 14)
(f) Taxation (notes 4.4 and 17)

The revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupees which is the Fund's functional and presentation currency. Amounts presented in the financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

2.4 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments which are measured at fair value.

3. APPLICATION OF NEW STANDARDS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New amendment that is effective for the year ended June 30, 2026

The following amendment is effective for the year ended June 30, 2026. This amendment is not relevant to the Fund's operations.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability.

3.2 Standards and amendments to IFRS that are not yet effective

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These standards and amendments are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures except those mentioned in note 3.3.

	Effective from accounting period beginning on or after
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Classification And Measurement of Financial Instruments	January 01, 2026
- Annual improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
- Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments Disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026
- IFRS 17 – 'Insurance Contracts' (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
- IFRS 18 'Presentation and Disclosures in Financial Statements'	January 01, 2027
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	January 01, 2027

3.3 In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the Income statement, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively

Other than the aforesaid standards and amendments, IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 20 - Regulatory Assets and Regulatory Liabilities

4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Fund's statement of assets and liabilities when the Fund becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

4.1.1 Financial assets

4.1.1.1 Classification and measurement of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt instruments at fair value through other comprehensive income (FVOCI), interest income, and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income in statement of comprehensive of income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is reclassified to the Income statement.

Financial assets at fair value through profit or loss (debt instruments)

Debt instruments that do not meet the amortised cost criteria or the (FVOCI) criteria are classified as at fair value through profit or loss (FVTPL). In addition, debt instruments that meet either the amortised cost criteria or the (FVOCI) criteria may be designated as (FVTPL) upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

4.1.1.2 Fair value measurement principles

The fair value of financial instruments is determined as follows:

Basis of valuation of government debt securities:

The government securities not listed on a PSX and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenure of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange are valued at revaluation rates disseminated by PSX.

4.1.1.3 Impairment of financial assets

The Management Company assesses at each reporting date whether there is objective evidence that the Fund's financial assets or a group of financial assets are impaired. If any such indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognised whenever the carrying value of an asset exceeds its recoverable amount.

SECP through its letter no. SCD/AMCW/RS/MUFAP/2017-148 dated November 21, 2017 has deferred the applicability of the impairment requirements of IFRS 9 for debt securities on mutual funds. Therefore, the Fund will not be subject to the impairment provisions of IFRS 9 until further instruction.

For financial assets other than debt securities measured at amortised cost, IFRS 9 requires recognition of impairment based on expected credit loss (ECL) model. Under IFRS 9, the Fund is required to measure loss allowance equal to an amount equal to lifetime ECL or 12 months ECL based on credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

However, majority of the assets of the Fund exposed to credit risk pertain to counter parties which have high credit rating or where credit risk has not been increased since initial recognition. Therefore, management believes that the impact of ECL would be very minimal and hence, the same has not been accounted for in these financial statements.

4.1.1.4 Regular way contracts

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Fund commits to purchase or sell the asset.

4.1.1.5 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of assets and liabilities) when:

- the rights to receive cash flows from the asset have expired; or
- the Fund has transferred its rights to receive cash flows from the asset and substantially all the risks and rewards of the asset.

4.1.2 Financial liabilities

4.1.2.1 Classification and measurement of financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest rate method or at fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost, unless they are required to be measured at (FVTPL) (such as instruments held for trading) or the Fund has opted to measure them at FVTPL.

4.1.2.2 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

4.1.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances and short term highly liquid investments with original maturity of three months or less, which are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value.

4.3 Provisions

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

4.4 Taxation

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (ITO, 2001) subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed to the unit holders as cash dividend.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

4.5 Dividend distribution and appropriations

Dividend distributions and appropriations are recorded in the period in which these are approved by the Board of Directors (the Board) of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Regulation 63 of the NBFC Regulations requires the Fund to distribute 90% of the net accounting income other than capital gains to the unit holders.

Distributions declared subsequent to the year end / reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of the Management Company.

4.6 Issue and redemption of units

Authorised Participants (APs) can purchase the units at the offer price and redeem at the redemption price at any of the authorised distribution offices during business hours.

The offer price shall be equal to the sum of:

- The Net Asset Value (NAV) as of the close of the previous business day (historical pricing); and
- Such amount as the Management Company may consider an appropriate provision for duties and charges.
- Such sum shall be adjusted upward to the nearest paisa.

Units of the Fund may be acquired or redeemed directly from the Fund only in creation units lot size or multiples thereof as mentioned in the Offering Document. Investors can sell the units at market prices on PSX which may be above or below actual NAV of the Fund."

4.7 Net asset value per unit

The Net Asset Value (NAV) per unit, as disclosed in the statement of assets and liabilities, is calculated by dividing the net assets of the Fund by the number of units in issue at the year end.

4.8 Revenue recognition

- Capital gain / (loss) arising on sale of investments are included in the income statement on the date at which the transaction takes place.

- Profit / return on Government securities and investment in debt securities are recognised at a time apportionment basis using the EIR method.

- Unrealised gain / (loss) arising on re-measurement of investments at 'financial assets at fair value through profit or loss' are included in the income statement in the year in which they arise.

- Profit on bank balances is recognised on a time proportionate basis using bank's approved rates.

4.9 Expenses

All expenses chargeable to the Fund including remuneration of Management Company, Trustee fee and SECP fee are recognised in the income statement on an accrual basis.

		Note	June 30, 2026	June 30, 2025
5.	**BANK BALANCES**		------ (Rupees in '000) ------	
	Savings account	5.1	**3,426**	7,188

5.1 These carry profit at the rates ranging between 9.50% to 11% (June 30, 2025: 9.50% to 10.50%) per annum.

		Note	June 30, 2026	June 30, 2025
6.	**INVESTMENTS**		------ (Rupees in '000) ------	
	Investment 'at fair value through profit or loss'			
	Market Treasury Bills	6.1	**563,555**	514,966

6.1 Market Treasury Bills

Tenure	Issue date	Face value				As at June 30, 2026			Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 01, 2025	Purchased during the Year	Sold / matured during the Year	As at June 30, 2026	Carrying value	Market value	Unrealised (loss) / gain		
		---------- (Rupees in '000) ----------							---------- (%) ----------	
Treasury bills - 1 months	November 13, 2025	-	331,000	331,000	-	-	-	-	-	-
Treasury bills - 12 months	October 03, 2024	87,000	-	87,000	-	-	-	-	-	-
Treasury bills - 12 months	October 17, 2024	240,000	-	240,000	-	-	-	-	-	-
Treasury bills - 12 months	November 14, 2024	-	328,000	328,000	-	-	-	-	-	-
Treasury bills - 12 months	December 12, 2024	200,000	-	200,000	-	-	-	-	-	-
Treasury bills - 12 months	December 26, 2024	7,500	-	7,500	-	-	-	-	-	-
Treasury bills - 12 months*	September 04, 2025	-	575,000	-	575,000	**565,144**	**563,555**	**(1,589)**	100.00	100.11
As at June 30, 2026						**565,144**	**563,555**	**(1,589)**		
As at June 30, 2025						513,459	514,966	1,507		

* These market treasury bills carry effective yield at the rate ranging from 10.48% (June 30, 2025: 11.98% to 13.64%) per annum.

		Note	June 30, 2026	June 30, 2025
6.2	**Unrealised (loss) / gain on re-measurement of investments at 'fair value through profit or loss' - net**		-------- (Rupees in '000) --------	
	Market value of investment	6.1	**563,555**	514,966
	Less: carrying value of investment	6.1	**565,144**	513,459
			(1,589)	1,507

7. PROFIT / MARK-UP RECEIVABLE

Profit receivable on:		
- Bank deposits	**14**	18

8. PRELIMINARY EXPENSES AND FLOATATION COSTS	Note	June 30, 2026	June 30, 2025
		-------- (Rupees in '000) --------	
Preliminary expenses and floatation costs	8.1	**200**	286
Amortisation during the period		**(89)**	(86)
		111	200

8.1 This represents all expenses incurred in connection with the incorporation, registration, establishment and authorisation of the fund which is being amortised by the Fund over the period of five years commencing from September 12, 2022 in accordance with the Trust Deed and Regulation 60 of the NBFC Regulations.

9. ADVANCE AND DEPOSIT	Note	June 30, 2026	June 30, 2025
		-------- (Rupees in '000) --------	
Security deposits with the Trustee		**100**	100
Advance tax	9.1	**2,056**	2,056
		2,156	2,156

9.1 The income of the Fund is exempt from tax under Clause 99 of Part I of the Second Schedule of the Income Tax Ordinance, 2001 (ITO 2001). Further, the Fund is exempt under Clause 47(B) of Part IV of Second Schedule of ITO 2001 from withholding of tax under section 150, 150A, 151 and 233 of ITO 2001.

The Federal Board of Revenue through a circular "C.No.1 (43) DG (WHT)/ 2008-Vol.II- 66417-R" dated May 12, 2015, made it mandatory to obtain exemption certificates under section 159 (1) of the ITO 2001 from Commissioner Inland Revenue (CIR). However, various withholding agents have deducted advance tax under section 151 of ITO 2001. The Management Company is confident that the same shall be refunded after filing refund application. Refund has been filed uptil tax year 2021.

10. PAYABLE TO THE MANAGEMENT COMPANY	Note	June 30, 2026	June 30, 2025
		-------- (Rupees in '000) --------	
Management remuneration payable	10.1	**184**	188
Sindh sales tax payable on the Management Company's remuneration	10.2	**28**	28
Formation cost payable		**-**	555
		212	771

10.1 Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the management fee for a Exchange Traded Fund is capped at 0.75% per annum, calculated on the basis of the average daily net assets, effective from July 01, 2025. Accordingly, the Management Company has charged management fees at a rate of 0.4% of the Fund's net assets, calculated on a daily basis. The management fee is payable to the Management Company on a monthly basis in arrears.

10.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (June 30, 2025: 15%) on the remuneration of Management Company through Sindh Sales Tax on Services Act, 2011.

11. PAYABLE TO THE TRUSTEE	Note	June 30, 2026	June 30, 2025
		-------- (Rupees in '000) --------	
Trustee fee payable	11.1	**46**	47
Sindh Sales Tax payable on remuneration of the Trustee	11.2	**7**	7
		53	54

11.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund at the rate of 0.1% per annum of Net assets under the provisions of the Trust Deed as per the tariff specified therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee on monthly in arrears.

11.2 The Sindh Provincial Government has levied Sindh Sales Tax at the rate of 15% (June, 30 2025: 15%) on the remuneration of the Trustee through Sindh Sales Tax on Services Act, 2011.

		Note	June 30, 2026	June 30, 2025
12.	**PAYABLE TO SECP**		-------- (Rupees in '000) --------	
	SECP fee payable	12.1	**44**	44

12.1 The Fund has charged SECP fee at the rate of 0.095% of the average daily net assets of the Fund which is paid on a monthly basis in arrears.

		June 30, 2026	June 30, 2025
13.	**ACCRUED EXPENSES AND OTHER LIABILITIES**	-------- (Rupees in '000) --------	
	Withholding tax payable	**23**	4,357
	Auditors' remuneration payable	**1,082**	454
	Legal and professional charges payable	**169**	263
	Zakat payable	**-**	162
	Printing and stationery payable	**133**	41
	Bank charges payable	**26**	19
	Brokerage payable	**1**	1
	Rating fee payable	**176**	-
	Other payable	**201**	-
		1,811	5,297

14. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026 and June 30, 2025.

		June 30, 2026	June 30, 2025
15.	**AUDITORS' REMUNERATION**	-------- (Rupees in '000) --------	
	Annual audit fee	**496**	372
	Half yearly review fee	**218**	163
	Out of pocket and other certification expenses	**72**	54
		787	589
	Sindh sales tax	**63**	47
		850	636

16. TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the ITO, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by accumulated losses and capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the NBFC Regulations, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11A of Part IV of the Second Schedule to the ITO, 2001.

Since the management distributed the income available for distribution by the Fund to the unit holders in cash in the manner as explained above accordingly, no provision for taxation has been made in these financial statements.

17. TOTAL EXPENSE RATIO

'The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2026 is 1% (June 30, 2025: 0.97%) which includes 0.16% (June 30, 2025: 0.17%) representing government levies on the Fund such as Sales Taxes, SECP fees, etc. However, Pursuant to the amendments in the NBFC Regulations, 2008 by SECP vide Notification S.R.O. 600(I)/2025 dated April 10, 2025, the maximum TER limits have been lifted by the SECP applicable to CIS, effective from July 01, 2025

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties / connected persons include the Management Company, Habib Bank Limited, being the Sponsor of the Management Company, CDC, being the Trustee of the Fund, other CIS managed by the Management Company, directors and officers of the Management Company and directors of connected persons and persons having 10% or more beneficial ownership of the units of the Fund.

Transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration payable to Management Company and Trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed, respectively.

Transactions and balances with parties who were connected persons due to holding 10% or more units in the comparative year and not in the current year are not disclosed in the comparative year.

Details of the transactions with related parties / connected persons and balances with them are as follows:

	June 30, 2026	June 30, 2025
18.1 Details of transactions with related parties / connected persons during the year:	**----- (Rupees in '000) -----**	
HBL Asset Management Limited - Management Company		
Remuneration of the Management Company	**2,165**	2,132
Sindh sales tax on remuneration of the Management Company	**325**	320
Allocated Expenses	**-**	229
Amount received from Management Company against issuance to unitholders *	**-**	82
Central Depository Company of Pakistan Limited - Trustee		
Trustee remuneration	**541**	558
Sindh sales tax payable on the Trustee fee	**81**	84
HBL Government Securities Fund - Associate		
Sale of Market Treasury Bills	**-**	52,449
HBL Financial Sector Income Fund Plan I - Associate		
Sale of Market Treasury Bills	**-**	95,139
Dividend paid	**39,398**	60,178
HBL Money Market Fund - Associate		
Sale of Market Treasury Bills	**-**	358,456
HBL Income Fund - Associate		
Sale of Market Treasury Bills	**-**	210,534
Habib Bank Limited - Authorized Participant		
Sale of Market Treasury Bills	**-**	80,630
Dividend Paid	**1,183**	2,582

*This represents amount reimbursed by the Management Company in relation to reversal of excess amount charged against reimbursement of allocated expenses as per the direction of SECP.

18.2 Balances outstanding as at year end

HBL Asset Management Limited - Management Company		
Remuneration payable to the Management Company	**184**	188
Sindh sales tax payable on Management Company's remuneration	**28**	28
Formation cost payable	**-**	555

	June 30, 2026	June 30, 2025
	----- (Rupees in '000) -----	
Central Depository Company of Pakistan Limited - Trustee		
Trustee fee payable	**46**	47
Sindh Sales Tax payable on Trustee Fee	**7**	7
Habib Bank Limited - Authorised Participant *		
Investment held in the Fund: 190,300 units (June 30, 2025: 190,300 units)	**19,687**	19,645
CDC Trustee HBL Financial Sector Income Fund Plan I - Associate *		
Investment held in the Fund: 4,040,850 units (June 30, 2025: 3,857,750 units)	**455,727**	398,242

* The movement of units not shown in related party transactions as the trade of the units carried in secondary market, i.e: PSX. Therefore, transactions during the period is not connected with the Fund.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the close of trading i.e. period end date. The estimated fair value of all other financial assets and financial liabilities is considered not significantly different from book value as these are short term in nature.

The following table shows financial instruments recognised at fair value, based on:

Levels	Description	Valuation approach and input used
Level 1:	Quoted prices in active markets for identical assets or liabilities	Listed government securities traded on PSX are valued at revaluation rates disseminated by PSX. The fair value of debt securities (other than government securities) is based on the value determined and announced by MUFAP.
Level 2:	Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)	The government securities not listed on a stock exchange and traded are valued at the average rates quoted on electronic quotation system (PKRV / PKFRV). For Debt securities for which MUFAP valuation is not available are valued at face value of the securities.
Level 3:	Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)	The Fund applies discretion on the effective yield as per the allowable limits. The allowable limits for rated securities for duration upto 2 years is +200/-100 bps and over 2 years is +150/50 bps. For unrated securities the allowable limits +50 bps.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
June 30, 2026							
Financial assets measured at fair value							
Market Treasury Bills	**563,555**	**-**	**563,555**	**-**	**563,555**	**-**	**563,555**
	563,555	**-**	**563,555**	**-**	**563,555**	**-**	**563,555**
Financial assets not measured at fair value							
Bank balance	**-**	**3,426**	**3,426**				
Profit receivable	**-**	**14**	**14**				
Deposits	**-**	**100**	**100**				
	-	**3,540**	**3,540**				
Financial liabilities not measured at fair value							
Payable to the Management Company	**-**	**184**	**184**				
Payable to the Trustee	**-**	**46**	**46**				
Dividend payable	**-**	**49,891**	**49,891**				
Accrued expenses and other liabilities	**-**	**1,708**	**1,708**				
	-	**51,829**	**51,829**				

Particulars	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
	(Rupees in '000)						
June 30, 2025							
Financial assets measured at fair value							
Market treasury bills	514,966	-	514,966	-	514,966	-	514,966
	514,966	-	514,966	-	514,966	-	514,966
Financial assets not measured at fair value							
Bank balance	-	7,188	7,188				
Profit receivable	-	18	18				
Deposits	-	100	100				
	-	7,306	7,306				
Financial liabilities not measured at fair value							
Payable to the Management Company	-	743	743				
Payable to the Trustee	-	47	47				
Dividend payable		2,203	2,203				
Accrued expenses and other liabilities	-	744	744				
	-	3,737	3,737				

During the year ended June 30, 2025, there were no transfers between levels of fair value measurements, and no transfer into and out of level 3 fair value measurements.

20. FINANCIAL RISK MANAGEMENT

The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risks of the Fund are being managed by the Management Company in accordance with the approved policies of the Investment Committee which provide broad guidelines for management of above mentioned risks. The Board of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework.

20.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board of Management Company and the regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, yield / interest rate risk and other price risk.

20.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund, at present is not exposed to currency risk as all transactions are carried out in Pakistan Rupees.

20.1.2 Yield / interest rate risk

Yield / interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2026, the Fund is exposed to such risk on bank balances and government securities. The Investment Committee of the Fund reviews the portfolio of the Fund on a regular basis to ensure that the risk is managed within the acceptable limits.

As of June 30, 2026 details of Fund's interest bearing financial instruments were as follows:

	Note	**June 30, 2026**	June 30, 2025
		------ (Rupees in '000) ------	
Variable rate instrument (financial asset)			
Bank balances	5	**3,426**	7,188
Fixed rate instrument (financial asset)			
Market Treasury Bills	6.1	**563,555**	514,966

a) Sensitivity analysis for variable rate instruments

As at June 30, 2026, the Fund holds KIBOR based bank balances which expose the Fund to cash flow interest rate risk. In case of 100 basis pointsincrease / decrease in applicable rates on the last repricing date with all other variables held constant, the net assets value of the Fund and the net income for the year would have been higher / lower by Rs. 0.034 million (June 30, 2025: Rs. 0.07 million).

b) Sensitivity analysis for fixed rate instruments

As at June 30, 2026, the Fund holds Government Securities which are fixed rate instruments exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in rates announced by FMAP on June 30, 2026, the net income for the year and net assets would be lower / higher by Rs. 5.64 million (June 30, 2025: Rs. 5.15 million).

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date. The composition of the Fund investment may change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2026 is not necessarily indicative of the impact on the Fund's net assets of future movements in interest rates.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2026 can be determined as follows:

	June 30, 2026					
	Yield / effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial Assets						
Bank balances	9.5 to 11	**3,426**	**-**	**-**	**-**	**3,426**
Investments	10.48	**563,555**	**-**	**-**	**-**	**563,555**
Profit / markup receivable		**-**	**-**	**-**	**14**	**14**
Deposits		**-**	**-**	**-**	**100**	**100**
		566,981	**-**	**-**	**114**	**567,095**
Financial Liabilities						
Payable to the Management Company		**-**	**-**	**-**	**184**	**184**
Payable to the Trustee		**-**	**-**	**-**	**46**	**46**
Dividend payabe		**-**	**-**	**-**	**49,891**	**49,891**
Accrued expenses and other liabilities		**-**	**-**	**-**	**1,708**	**1,708**
		-	**-**	**-**	**51,829**	**51,829**

	June 30, 2025					
	Yield / effective interest rate	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
		Up to three months	More than three months and up to one year	More than one year		
	---- (%) ----	---------- (Rupees in '000) ----------				
On-balance sheet financial instruments						
Financial assets						
Bank balances	9.5 to 10.50	7,188	-	-	-	7,188
Investments	11.98 to 13.64	-	514,966	-	-	514,966
Profit / markup receivable		-	-	-	18	18
Deposits		-	-	-	100	100
		7,188	514,966	-	118	522,272
Financial liabilities						
Payable to the Management Company		-	-	-	743	743
Payable to the Trustee		-	-	-	47	47
Dividend payable		-	-	-	2,203	2,203
Accrued expenses and other liabilities		-	-	-	744	744
		-	-	-	3,737	3,737

20.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

20.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to bank balances and profit receivable thereon.There is no risk attributable on investments, as all investments are made in Government Securities as per offering document, while the bank balances are maintained with bank with a reasonably high credit rating.

Credit risk from bank balances and financial institutions is managed in accordance with the Fund's policy. Investments of funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are approved by the Board of the Management Company. The limits are set to minimise the concentration of risk and therefore mitigate financial loss through potential counterparty failure.

The maximum exposure to credit risk before considering any related collateral as at June 30, 2026 is the carrying amount of financial assets. None of these financial assets are 'impaired' nor 'past due but not impaired'. Investment in Government Securities (if any) are not exposed to credit risk as they are guaranted by the Government of Pakistan.

The Fund's maximum exposure to credit risk is the carrying amounts of following financial assets.

		June 30, 2026		June 30, 2025	
		Balance as per statement of assets and liabilities	**Maximum exposure to credit risk**	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
		---------- (Rupees in '000) ----------			
	Note				
Bank balances	5	**3,426**	**3,426**	7,188	7,188
Investments	6	**563,555**	**-**	514,966	-
Profit / markup receivable	7	**14**	**14**	18	18
Deposit	9	**100**	**100**	100	100
		567,095	**3,540**	522,272	7,306

The analysis below summaries the credit rating quality of the Fund's financial assets with banks as at June 30, 2026 and June 30, 2025:

Bank balances by rating category	**June 30, 2026**		June 30, 2025	
	(Rupees in '000)	**------ (%) ------**	(Rupees in '000)	------ (%) ------
AA	**3,426**	**100.00**	7,188	100.00

Above ratings are on the basis of available ratings assigned by Pakistan Credit Rating Agency (PACRA) as of June 30, 2026.

Investments in Market Treasury Bills do not expose the Fund to credit risk as the counter party to the investment is the Government of Pakistan and Management does not expect to incur any credit loss on such investment.

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is concentrated in bank balances and the Government Securities.

Settlement risk

The Fund's activities may give rise to risk at the time of settlement of transactions. Settlement risk is the risk of loss due to the failure of counter party to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions in securities is considered to be minimal as the Fund uses brokers with high creditworthiness and the transactions are settled or paid for only upon delivery using the central clearing system.

20.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The table below analysis the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

		June 30, 2026					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Note	(Rupees in '000)					
Financial assets							
Bank balances	5	**3,426**	**-**	**-**	**-**	**-**	**3,426**
Investments	6	**-**	**563,555**	**-**	**-**	**-**	**563,555**
Profit / markup receivable	7	**14**	**-**	**-**	**-**	**-**	**14**
Deposit	8	**100**	**-**	**-**	**-**	**-**	**100**
		3,540	**563,555**	**-**	**-**	**-**	**567,095**
Financial liabilities							
Payable to the Management Company	10	**184**	**-**	**-**	**-**	**-**	**184**
Payable to the Trustee	11	**46**	**-**	**-**	**-**	**-**	**46**
Dividend payable		**49,891**	**-**	**-**	**-**	**-**	**49,891**
Accrued expenses and other liabilities	13	**1,708**	**-**	**-**	**-**	**-**	**1,708**
		51,829	**-**	**-**	**-**	**-**	**51,829**
On-balance sheet gap		**(48,289)**	**563,555**	**-**	**-**	**-**	**515,266**
Total liquidity sensitivity gap		**(48,289)**	**563,555**	**-**	**-**	**-**	**515,266**
Cumulative liquidity sensitivity gap		**(48,289)**	**515,266**	**515,266**	**515,266**	**515,266**	

		June 30, 2025					
		Within 1 month	Over 1 to 3 months	Over 3 to 12 months	Over 1 to 5 years	More than 5 years	Total
	Note	Rupees in '000					
Financial assets							
Bank balances	5	7,188	-	-	-	-	7,188
Investments	6	-	-	514,966	-	-	514,966
Profit receivable	7	18	-	-	-	-	18
Deposit	8	100	-	-	-	-	100
		7,306	-	514,966	-	-	522,272
Financial liabilities							
Payable to the Management Company	10	743	-	-	-	-	743
Payable to the Trustee	11	47	-	-	-	-	47
Dividend payable		2,203	-	-	-	-	2,203
Accrued expenses and other liabilities	13	744	-	-	-	-	744
		3,737	-	-	-	-	3,737
On-balance sheet gap		3,569	-	514,966	-	-	518,535
Total liquidity sensitivity gap		3,569	-	514,966	-	-	518,535
Cumulative liquidity sensitivity gap		3,569	3,569	518,535	518,535	518,535	

21. LIST OF BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

Brokers during the year ended June 30, 2026

There were no transactions executed through brokers.

Brokers during the year ended June 30, 2025.

There were no transactions executed through brokers.

22. PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S.no.	Name	Designation	Qualification	Experience in years
1.	Mr. Rahat Saeed Khan	Chief Executive Officer	BSc	27
2	Mr. Rahat Saeed Khan	Acting Chief Investment Officer	MBA	29
3	Mr. Amin Muhammad	Chief Risk Officer	MBA	34
4	Mr. Sunny Kumar	Head of Equities	B.Com	8
5.	Mr. Hammad Ali Abbas	Senior Fund Manager	MSC	21
6.	Mr. Wasim Akram	Senior Fund Manager	MBA	23
7	Ms. Nida Siddiqui	Assistant Fund Manager	MBA	1

23. PATTERN OF UNIT HOLDING

Pattern of unit holding as at June 30, 2026 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000')	-------- (%) --------
Individuals	**131**	**951,800**	**98,464**	**19.03**
Banks and DFIs	**1**	**190,300**	**19,686**	**3.81**
NBFCs	**1**	**3,857,750**	**399,085**	**77.15**
Public limited companies	**2**	**150**	**16**	**-**
	135	**5,000,000**	**517,251**	**100**

Pattern of unit holding as at June 30, 2025 is as follows:

Category	Number of unit holders	Number of units held	Investment amount	Percentage
			(Rupees in '000')	-------- (%) --------
Individuals	131	951,800	98,256	19.03
Banks and DFIs	1	190,300	19,645	3.81
NBFCs	1	3,857,750	398,243	77.16
Public limited companies	2	150	15	-
	135	5,000,000	516,159	100

24. ATTENDANCE AT MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board were held on August 28, 2025, October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026 and June 23, 2026 respectively. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings		Leaves granted	Meetings not attended
		Held	Attended		
1.	Mr. Shahid Ghaffar	9	9	-	-
2.	Ms. Ava A. Cowasjee	9	8	1	June 04, 2026
3.	Mr. Khalid Malik	9	9	-	-
4.	Mr. Tariq Masaud	9	8	1	October 30, 2025
5.	Mr. Abrar Ahmed Mir	9	4	5	August 28, 2025, October 30, 2025, December 22, 2025, February 25, 2026 & March 04, 2026
6.	Mr. Mir Adil Rashid	9	9	-	-
7.	Ms. Sheeza Ahmed	9	9	-	-
8.	Mr. Irfan Ahmed Meer ***	3	2	1	April 29, 2026
9.	Dr. Sahar Awan ***	3	3	-	-
10.	Mr. Rayomond H. Kotwal **	6	5	1	December 22, 2025
11.	Mr. Habib Yousuf Habib *	3	3	-	-

* Resigned on November 27, 2025.
** Resigned on April 06, 2026.
*** Appointed on April 08, 2026.

25. CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation, the effect of which is not material.

26. GENERAL

Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

27. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL

Mehfooz Munafa Fund

FUND INFORMATION

NAME OF FUND	HBL Mehfooz Munafa Fund
NAME OF AUDITOR	BDO Ebrahim & Co. Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited.
BANKERS	Habib Bank Limited Bank Alfalah Limited United Bank Limited

FUND MANAGER'S REPORT - HBL MEHFOOZ MUNAFA FUND 11

As at June 30, 2026

Type and Category of Fund

Open end Fixed Rate Fund

Investment Objective and Accomplishment of Objective

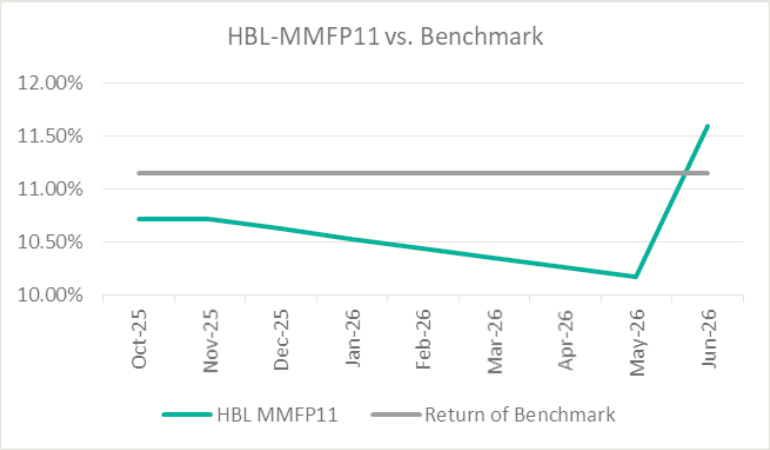
The investment objective of the Fund is to provide competitive returns to its investors through active investment in low-risk portfolio of short duration, while maintaining high liquidity. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is PKRV/PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.

The comparison of the fund return with benchmark is given below:

Month	HBL-MEMF	Benchmark
Jun-26	11.59%	11.15%
May-26	10.17%	11.15%
Apr-26	10.26%	11.15%
Mar-26	10.35%	11.15%
Feb-26	10.44%	11.15%
Jan-26	10.53%	11.15%
Dec-25	10.63%	11.15%
Nov-25	10.72%	11.15%
Oct-25	10.72%	11.15%



Strategies and Policies employed during the Year

HBL Mehfooz Munafa Fund was launched with the basic objective of providing a fixed rate return to its investors for a limited timeframe. The fund invested majority of the amount in shorter duration government securities to provide market competitive returns to its investors. The Tenor of the investment is generally in tandem with the tenor of the fund to avoid any mismatch.

Asset Allocation

Fund Performance

The total income and net income of the plan was Rs. 625.47 million and Rs. 615.71 million respectively for the period ended June 30, 2026. The net assets as at June 30, 2026 was 8.87 billion representing NAV of Rs. 100.2092 (after incorporating dividend of Rs. 7.2335 per unit) thereby giving an annualized return of 10.93% against the benchmark return of 11.15%.

Money Market Review

During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution

The Plan has distributed cash dividend up-to Rs. 7.2335 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs
There were no significant changes in the state of affairs during the year under review.

Breakdown of
Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	-	-
101 - 500	-	-
501 - 1,000	-	-
1,001 - 10,000	1	5,271
10,001 - 100,000	2	81,628
100,001 - 500,000	2	369,062
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	1	1,263,705
5,000,001 and above	1	86,776,568
Total	**7**	**88,496,234**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

FUND MANAGER'S REPORT - HBL MEHFOOZ MUNAFA FUND 14

As at June 30, 2026

Type and Category of Fund

Open end Fixed Rate Fund

Investment Objective and Accomplishment of Objective

The investment objective of the Fund is to provide competitive returns to its investors through active investment in low-risk portfolio of short duration, while maintaining high liquidity. The Fund will aim to maximize returns through efficient utilization of investment and liquidity management tools.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is PKRV/PIB rates on the last date of IOP of the CIS with maturity period corresponding to the maturity of CIS.

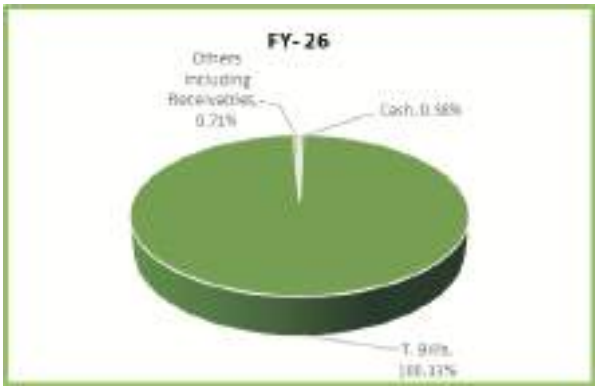
The comparison of the fund return with benchmark is given below:

Month	HBL-MEMF	Benchmark
Jun-26	12.32%	12.36%

Strategies and Policies employed during the Year

HBL Mehfooz Munafa Fund was launched with the basic objective of providing a fixed rate return to its investors for a limited timeframe. The fund invested majority of the amount in shorter duration government securities to provide market competitive returns to its investors. The Tenor of the investment is generally in tandem with the tenor of the fund to avoid any mismatch.

Asset Allocation



Fund Performance

The total income and net income of the plan was Rs. 7.96 million and Rs. 7.81 million respectively for the period ended June 30, 2026. The net assets as at June 30, 2026 was 1.01 billion representing NAV of Rs. 100.0339 (after incorporating dividend of Rs. 0.7429 per unit) thereby giving an annualized return of 12.32% against the benchmark return of 12.63%.

Money Market Review

During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution

The Plan has distributed cash dividend up-to Rs. 0.7429 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	-	-
101 - 500	-	-
501 - 1,000	-	-
1,001 - 10,000	-	-
10,001 - 100,000	1	50,253
100,001 - 500,000	-	-
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	-	-
5,000,001 and above	1	10,052,746
Total	2	**10,102,999**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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CDC House, 99-B, Block 'B'
S.M.C.H.S., Main Shahra-e-Faisal
Karachi - 74400, Pakistan.
Tel: (92-21) 111-111-500
Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL MEHFOOZ MUNAFA FUND

Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Mehfooz Munafa Fund (the Fund) are of the opinion that HBL Asset Management Limited, being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi, September 30, 2026

BDO

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL MEHFOOZ MUNAFA FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Mehfooz Munafa Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, and its financial performance and its cash flows for the period then ended in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report Thereon

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and Board of Directors of the Management Company for the Financial Statements

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.

- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Ebrahim & Co. Chartered Accountants

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Non - Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non - Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166eguvJK7qR

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL MEHFOOZ MUNAFA Fund
Statement Of Assets And Liabilities
AS AT JUNE 30, 2026

		2026														2025							
		Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
ASSETS	**Note**	---------- Rupees in '000' ----------														---------- Rupees in '000' ----------							
Balances with banks	5	710	5,523	350	3,445	7,644	530	2,711	3,834	307	792	18,893	17,292	17,398	79,429	749	511	4,811	978	1,105	1,057	112,244	121,455
Investments	6	-	-	-	-	8,861,621	-	-	1,009,118	-	-	-	-	-	9,870,738	-	-	1,642,972	-	-	-	-	1,642,972
Profit receivable	7	-	-	-	-	5,602	-	-	8	-	-	-	-	4,111	9,721	-	-	306	-	-	-	-	306
TOTAL ASSETS		710	5,523	350	3,445	8,874,867	530	2,711	1,012,960	307	792	18,893	17,292	21,509	9,959,888	749	511	1,648,089	978	1,105	1,057	112,244	1,764,733
LIABILITIES																							
Payable to the HBL Asset Management Limited - Management Company	8	122	-	-	22	167	-	110	70	99	100	285	308	518	1,801	-	204	1,784	-	324	277	448	3,037
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	-	-	-	28	458	-	-	38	-	-	68	469	465	1,526	-	-	198	-	60	32	368	658
Payable to the Securities and Exchange Commission of Pakistan	10	-	-	-	11	543	-	-	46	-	-	81	272	550	1,503	-	-	100	187	-	-	502	788
Accrued expenses and other liabilities	11	587	5,523	350	3,384	5,565	530	2,601	2,163	208	692	18,459	16,243	19,976	76,280	749	307	60,092	791	721	748	110,926	174,335
TOTAL LIABILITIES		709	5,523	350	3,445	6,733	530	2,711	2,317	307	792	18,893	17,292	21,509	81,110	749	511	62,174	978	1,105	1,057	112,244	178,818
NET ASSETS		0.00	-	-	-	8,868,134	-	-	1,010,642	-	-	-	-	-	9,878,778	-	-	1,585,915	-	-	-	-	1,585,915
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		-	-	-	-	8,868,134	-	-	1,010,642	-	-	-	-	-	9,878,776	-	-	1,585,915	-	-	-	-	1,585,915
CONTINGENCIES AND COMMITMENTS	12																						
		---------- Number of units ----------																					
Number of units in issue	13	-	-	-	-	88,496,234	-	-	10,102,999	-	-	-	-	-		-	-	15,834,488	-	-	-	-	
		---------- Rupees ----------																					
Net assets value per unit		-	-	-	-	100.2092	-	-	100.0339	-	-	-	-	-		-	-	100.1556	-	-	-	-	

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
Income Statement
FOR THE YEAR ENDED JUNE 30, 2026

	Note	For the period from July 12, 2024 to July 10, 2025	For the period from September 09, 2025 to March 09, 2026	For the period from July 15, 2025 to October 07, 2025	For the period from July 29, 2025 to June 06, 2026	For the period from October 24, 2025 to June 30, 2026	For the period from October 16, 2025 to January 12, 2026	For the period from November 12, 2025 to February 09, 2026	For the period from June 08, 2026 to June 30, 2026	For the period from February 06, 2026 to May 07, 2026	For the period from March 18, 2026 to May 07, 2026	For the period from April 02, 2026 to June 12, 2026	For the period from May 12, 2026 to June 19, 2026	For the period from June 02, 2026 to June 30, 2026		For the period from July 01, 2024 to December 26, 2024	For the period from July 10, 2024 to June 30, 2025	For the period from September 30, 2024 to June 30, 2025	For the period from October 16, 2024 to January 09, 2025	For the period from December 06, 2024 to March 06, 2025	For the period from April 30, 2025 to June 26, 2025	
		Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
Income		---------- Rupees in '000 ----------														---------- Rupees in '000 ----------						
Capital gain / (loss) on sale of investments - net		-	(37)	-	(9,359)	-	-	-	-	-	(4)	-	-	-	(9,400)	-	-	-	-	-	72	72
Markup on:																						-
Government securities		6,325	90,537.00	118,341	240,662	610,193	202,305	280,281	7,952	201,631	100,094	73,481	77,610	75,595	2,085,007	501,167	248,798	202,535	143,981	104,038	172,224	1,372,743
Bank deposits		1,807	1,497	6,548	968	15,276	10,530	6,008	8	1,494	2,513	2,076	8,016	10,230	66,971	2,540	1,076	392	1,927	1,164	2,058	9,157
Other income		-	-	-	9,359	-	-	-	-	-	-	-	-	-	9,359	-	-	-	-	-	-	-
		8,132	91,997	124,889	241,630	625,469	212,835	286,289	7,960	203,125	102,603	75,557	85,626	85,825	2,151,937	503,707	249,874	202,927	145,908	105,202	174,354	1,381,972
Expenses																						
Remuneration to the HBL Asset Management Limited - Management Company	8.1	192	790	1,290	3,049	1,168	798	1,059	61	1,383	1,274	1,018	371	367	12,820	4,256	7,776	267	3,033	4,114	905	20,351
Sindh Sales Tax on remuneration of the Management Company - Management Company	8.2	33	118	194	457	175	120	159	9	207	191	153	56	55	1,927	638	1,166	40	455	617	136	3,052
Remuneration of the Central Depository Company - Trustee	9.1	26	483	645	1,290	3,211	1,097	1,456	33	1,087	539	373	408	404	11,052	1,561	822	734	556	481	825	4,980
Sindh Sales Tax on remuneration of the Central Depository Company - Trustee	9.3	-	72	97	193	482	165	218	5	163	81	56	61	61	1,654	234	123	110	83	72	124	746
Annual fee to Securities and Exchange Commission of Pakistan	10	36	658	880	1,759	4,378	1,496	1,985	46	1,482	735	509	556	550	15,070	1,859	1,109	1,002	758	656	1,126	6,511
Allocation of fee and expenses related to registrar services, accounting, operation and valuation services		-	-	4	89	63	52	3	-	-	-	8	-	-	219	-	-	-	-	-	-	-
Auditors' remuneration	14	8	302	300	305	209	300	300	-	148	100	100	50	48	2,170	407	300	300	300	350	150	1,807
Amortisation of preliminary expenses and flotation costs		4	-	27	-	-	-	100	-	99	100	100	100	96	626	128	155	155	155	153	-	746
Bank charges		1	50	20	-	-	-	50	-	10	-	5	5	-	141	21	23	69	30	30	-	172
Legal and professional		4	101	50	150	70	100	150	-	49	50	50	50	48	921	-	150	150	150	148	38	636
Printing and stationary charges		6	-	-	-	-	-	-	-	-	-	-	-	-	6	166	200	200	200	198	-	964
		310	2,574	3,507	7,292	9,756	4,128	5,480	154	4,628	3,070	2,372	1,657	1,629	46,606	9,270	11,824	3,027	5,720	6,819	3,304	39,965
Net income for the period before taxation		7,822	89,423	121,382	234,338	615,713	208,707	280,809	7,806	198,497	99,533	73,185	83,969	84,196	2,105,331	494,437	238,050	199,900	140,188	98,383	171,050	1,342,007
Taxation	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the period after taxation		7,822	89,423	121,382	234,338	615,713	208,707	280,809	7,806	198,497	99,533	73,185	83,969	84,196	2,105,331	494,437	238,050	199,900	140,188	98,383	171,050	1,342,007
Allocation of net income for the period																						
Net income for the year		7,822	89,423	121,382	234,338	615,713	208,707	280,809	7,806	198,497	99,533	73,185	83,969	84,196		494,437	238,050	199,900	140,188	98,383	171,050	
Income already paid on redemption of units		(7,822)	(89,423)	(121,382)	(234,338)	-	(208,707)	(280,809)	-	(198,497)	(99,533)	(73,185)	(83,969)	(84,196)		(494,437)	-	(199,900)	-	-	-	
		-	-	-	-	615,713	-	-	7,806	-	-	-	-	-		-	238,050	-	140,188	98,383	171,050	
Accounting income available for distribution:																						
Relating to capital gain		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	72	
Excluding capital gain		-	-	-	-	615,713	-	-	7,806	-	-	-	-	-		988,874	238,050	399,800	140,188	98,383	170,978	
		-	-	-	-	615,713	-	-	7,806	-	-	-	-	-		-	238,050	-	140,188	98,383	171,050	

The annexed notes from 1 to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	For the period from July 12, 2024 to July 10, 2025	For the period from September 09, 2025 to March 09, 2026	For the period from July 15, 2025 to October 07, 2025	For the period from July 29, 2025 to June 06, 2026	For the period from October 24, 2025 to June 30, 2026	For the period from October 16, 2025 to January 12, 2026	For the period from November 12, 2025 to February 09, 2026	For the period from June 08, 2026 to June 30, 2026	For the period from February 06, 2026 to May 07, 2026	For the period from March 18, 2026 to May 07, 2026	For the period from April 02, 2026 to June 12, 2026	For the period from May 12, 2026 to June 19, 2026	For the period from June 02, 2026 to June 30, 2026		For the period from July 01, 2024 to December 26, 2024	For the period from July 10, 2024 to June 30, 2025	For the period from September 30, 2024 to June 30, 2025	For the period from October 16, 2024 to January 09, 2025	For the period from December 06, 2024 to March 06, 2025	For the period from April 30, 2025 to June 26, 2025	
	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
	----------Rupees in '000'----------																				
Net income for the period after taxation	7,822	89,423	121,382	234,338	615,713	208,707	280,809	7,806	198,497	99,533	73,185	83,969	84,196	2,105,380	494,437	238,050	199,900	140,188	98,383	171,050	1,342,009
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	7,822	89,423	121,382	234,338	615,713	208,707	280,809	7,806	198,497	99,533	73,185	83,969	84,196	2,105,380	494,437	238,050	199,900	140,188	98,383	171,050	1,342,009

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan III					
	2026			2025		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------					
Net assets at beginning of the period	1,585,913	-	1,585,913	-	-	-
Issuance of Nil units (2025: 15,834,488 units)						
Capital value (at net asset value per unit at the beginning of the period)	-	-	-	1,585,913	-	1,585,913
Element of income	-	-	-	-	-	-
Total proceeds on issue of units	-	-	-	1,585,913	-	1,585,913
Redemption of 15,834,488 (2025: Nil units)						
Capital value (at net asset value per unit at the beginning of the period)	(1,585,913)	-	(1,585,913)	-	-	-
Element of loss	-	(7,822)	(7,822)	-	-	-
Total payments on redemption of units	(1,585,913)	(7,822)	(1,593,735)	-	-	-
Total comprehensive income for the period	-	7,822	7,822	-	238,050	238,050
Distribution during the period	-	-	-	-	(238,050)	(238,050)
	-	7,822	7,822	-	-	-
Net assets at end of the period	-	-	-	1,585,913	-	1,585,913
Undistributed income brought forward						
Realised income		-			-	
Unrealised income		-			-	
		-			-	
Accounting income available for distribution						
Relating to capital gains		-			-	
Excluding capital gains		-			238,050	
		-			238,050	
Distribution during the year		-			(238,050)	
Undistributed income carried forward		-			-	
Realised income		-			-	
Unrealised income		-			-	
		-			-	
			Rupees			Rupees
Net assets value per unit at beginning of the period			100.1556			-
Net assets value per unit at end of the period			-			100.1556

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan IV		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period			
Issuance of 18,333,099 units	-	-	-
Capital value (at net asset value per unit at the beginning of the period)	1,833,310	-	1,833,310
Element of income	-	-	-
Total proceeds on issue of units	1,833,310	-	1,833,310
Redemption of 18,333,099 units			
Capital value (at net asset value per unit at the beginning of the period)	(1,833,310)	-	(1,833,310)
Element of loss	-	(89,423)	(89,423)
Total payments on redemption of units	(1,833,310)	(89,423)	(1,922,733)
Total comprehensive income for the period	-	89,423	89,423
Distribution during the period	-	-	-
	-	89,423	89,423
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan IX		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period	-	-	-
Issuance of 59,433,297 units			
Capital value (at net asset value per unit at the beginning of the period)	5,943,330	-	5,943,330
Element of income	-	-	-
Total proceeds on issue of units	5,943,330	-	5,943,330
Redemption of 59,433,297 units			
Capital value (at net asset value per unit at the beginning of the period)	(5,943,330)	-	(5,943,330)
Element of loss	-	(121,382)	(121,382)
Total payments on redemption of units	(5,943,330)	(121,382)	(6,064,712)
Total comprehensive income for the period	-	121,382	121,382
Distribution during the period	-	-	-
	-	121,382	121,382
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan X		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period	-	-	-
Issuance of 52,004,536 units			
Capital value (at net asset value per unit at the beginning of the period)	5,200,454	-	5,200,454
Element of income	-	-	-
Total proceeds on issue of units	5,200,454	-	5,200,454
Redemption of 52,004,536 units			
Capital value (at net asset value per unit at the beginning of the period)	(5,200,454)	-	(5,200,454)
Element of loss	-	(234,338)	(234,338)
Total payments on redemption of units	(5,200,454)	(234,338)	(5,434,792)
Total comprehensive income for the period	-	234,338	234,338
Distribution during the period	-	-	-
	-	234,338	234,338
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XI		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period			
Issuance of 88,866,699 units	-	-	-
Capital value (at net asset value per unit at the beginning of the period)	8,886,670	-	8,886,670
Element of income	174	-	174
Total proceeds on issue of units	8,886,844	-	8,886,844
Redemption of 370,465 units			
Capital value (at net asset value per unit at the beginning of the period)	(37,047)	-	(37,047)
Element of loss	(67)	-	(67)
Total payments on redemption of units	(37,114)	-	(37,114)
Total comprehensive income for the period	-	615,713	615,713
Distribution during the period	-	(597,309)	(597,309)
	-	18,404	18,404
Net assets at end of the period	8,849,730	18,404	8,868,134
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		615,713	
		615,713	
Distribution during the year		(597,309)	
Undistributed income carried forward		18,404	
Realised income		18,404	
Unrealised income		-	
		18,404	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			100.2092

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XII		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period			
Issuance of 85,561,218 units	-	-	-
Capital value (at net asset value per unit at the beginning of the period)	8,556,122	-	8,556,122
Element of income	-	-	-
Total proceeds on issue of units	8,556,122	-	8,556,122
Redemption of 85,561,218 units			
Capital value (at net asset value per unit at the beginning of the period)	(8,556,122)	-	(8,556,122)
Element of loss	-	(208,707)	(208,707)
Total payments on redemption of units	(8,556,122)	(208,707)	(8,764,829)
Total comprehensive income for the period	-	208,707	208,707
Distribution during the period	-	-	-
	-	208,707	208,707
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XIII		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period			
Issuance of 110,538,185 units	-	-	-
Capital value (at net asset value per unit at the beginning of the period)	11,053,818	-	11,053,818
Element of income	-	-	-
Total proceeds on issue of units	11,053,818	-	11,053,818
Redemption of 110,538,185 units			
Capital value (at net asset value per unit at the beginning of the period)	(11,053,818)	-	(11,053,818)
Element of loss	-	(280,809)	(280,809)
Total payments on redemption of units	(11,053,818)	(280,809)	(11,334,627)
Total comprehensive income for the period	-	280,809	280,809
Distribution during the period	-	-	-
	-	280,809	280,809
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XIV		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period			
Issuance of 10,403,009 units	-	-	-
Capital value (at net asset value per unit at the beginning of the period)	1,040,301	-	1,040,301
Element of income	3	-	3
Total proceeds on issue of units	1,040,304	-	1,040,304
Redemption of 300,010 units			
Capital value (at net asset value per unit at the beginning of the period)	(30,002)	-	(30,002)
Element of loss	-	-	-
Total payments on redemption of units	(30,002)	-	(30,002)
Total comprehensive income for the period	-	7,806	7,806
Distribution during the period	-	(7,466)	(7,466)
	-	340	340
Net assets at end of the period	1,010,302	340	1,010,642
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		7,806	
		7,806	
Distribution during the year		(7,466)	
Undistributed income carried forward		340	
Realised income		340	
Unrealised income		-	
		340	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			100.0339

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XV		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period	-	-	-
Issuance of 80,000,125 units			
Capital value (at net asset value per unit at the beginning of the period)	8,000,013	-	8,000,013
Element of income	-	-	-
Total proceeds on issue of units	8,000,013	-	8,000,013
Redemption of 80,000,125 units			
Capital value (at net asset value per unit at the beginning of the period)	(8,000,013)	-	(8,000,013)
Element of loss	-	(198,497)	(198,497)
Total payments on redemption of units	(8,000,013)	(198,497)	(8,198,510)
Total comprehensive income for the period	-	198,497	198,497
Distribution during the period	-	-	-
	-	198,497	198,497
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XVI		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period			
Issuance of 72,505,218 units	-	-	-
Capital value (at net asset value per unit at the beginning of the period)	7,250,522	-	7,250,522
Element of income	-	-	-
Total proceeds on issue of units	7,250,522	-	7,250,522
Redemption of 72,505,218 units			
Capital value (at net asset value per unit at the beginning of the period)	(7,250,522)	-	(7,250,522)
Element of loss	-	(99,533)	(99,533)
Total payments on redemption of units	(7,250,522)	(99,533)	(7,350,055)
Total comprehensive income for the period	-	99,533	99,533
Distribution during the period	-	-	-
	-	99,533	99,533
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			100.4944

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XVII		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period	-	-	-
Issuance of 35,000,060 units			
Capital value (at net asset value per unit at the beginning of the period)	3,500,006	-	3,500,006
Element of income	-	-	-
Total proceeds on issue of units	3,500,006	-	3,500,006
Redemption of 35,000,060 units			
Capital value (at net asset value per unit at the beginning of the period)	(3,500,006)	-	(3,500,006)
Element of loss	-	(73,185)	(73,185)
Total payments on redemption of units	(3,500,006)	(73,185)	(3,573,191)
Total comprehensive income for the period	-	73,185	73,185
Distribution during the period	-	-	-
	-	73,185	73,185
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XIX 2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period	-	-	-
Issuance of 72,551,057 units			
Capital value (at net asset value per unit at the beginning of the period)	7,255,106	-	7,255,106
Element of income	-	-	-
Total proceeds on issue of units	7,255,106	-	7,255,106
Redemption of 72,551,057 units			
Capital value (at net asset value per unit at the beginning of the period)	(7,255,106)	-	(7,255,106)
Element of loss	-	(83,969)	(83,969)
Total payments on redemption of units	(7,255,106)	(83,969)	(7,339,075)
Total comprehensive income for the period	-	83,969	83,969
Distribution during the period	-	-	-
	-	83,969	83,969
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		-	
		-	
Distribution during the year		-	
Undistributed income carried forward		-	
Realised income		-	
Unrealised income		-	
		-	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Plan XX		
	2026		
	Capital value	Undistributed income	Total
	---------- (Rupees in '000) ----------		
Net assets at beginning of the period	-	-	-
Issuance of 98,192,927 units			
Capital value (at net asset value per unit at the beginning of the period)	9,877,193	-	9,877,193
Element of income	-	-	-
Total proceeds on issue of units	9,877,193	-	9,877,193
Redemption of 98,192,927 units			
Capital value (at net asset value per unit at the beginning of the period)	(9,877,193)	-	(9,877,193)
Element of loss	-	(84,196)	(84,196)
Total payments on redemption of units	(9,877,193)	(84,196)	(9,961,389)
Total comprehensive income for the period	-	84,196	84,196
Distribution during the period	-	-	-
	-	84,196	84,196
Net assets at end of the period	-	-	-
Undistributed income brought forward			
Realised income		-	
Unrealised income		-	
		-	
Accounting income available for distribution			
Relating to capital gains		-	
Excluding capital gains		1,180,434	
		1,180,434	
Distribution during the year		-	
Undistributed income carried forward		1,180,434	
Realised income		1,180,434	
Unrealised income		-	
		1,180,434	
			Rupees
Net assets value per unit at beginning of the period			100.0000
Net assets value per unit at end of the period			-

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer **Chief Executive Officer** **Director**

HBL MEHFOOZ MUNAFA Fund
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	For the period from July 12, 2024 to July 10, 2025	For the period from September 09, 2025 to March 09, 2026	For the period from July 15, 2025 to October 07, 2025	For the period from July 29, 2025 to June 06, 2026	For the period from October 24, 2025 to June 30, 2026	For the period from October 16, 2025 to January 12, 2026	For the period from November 12, 2025 to February 09, 2026	For the period from June 08, 2026 to June 30, 2026	For the period from February 06, 2026 to May 07, 2026	For the period from March 18, 2026 to May 07, 2026	For the period from April 02, 2026 to June 12, 2026	For the period from May 12, 2026 to June 19, 2026	For the period from June 02, 2026 to June 30, 2026		For the period from July 01, 2024 to December 26, 2024	For the period from July 01, 2024 to June 30, 2025	For the period from July 10, 2024 to June 30, 2025	For the period from September 30, 2024 to June 30, 2025	For the period from October 16, 2024 to January 09, 2025	For the period from December 06, 2024 to March 06, 2025	For the period from April 30, 2025 to June 26, 2025	
		Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
		Rupees in '000														Rupees in '000							
CASH FLOWS FROM OPERATING ACTIVITIES																							
Net income for the period before taxation		7,822	89,423	121,382	234,338	615,713	208,707	280,809	7,806	198,497	99,533	73,185	83,969	84,196	2,105,380	494,437	-	238,050	199,900	140,188	98,383	171,050	1,342,009
Adjustments for :															-								-
Capital gain on sale of investments - net		-	37	-	9,359	-	-	-	-	-	4	-	-	-	9,400	-	-	-	-	-	-	(72)	(72)
Markup on :															-								-
Income from Government securities		(6,325)	(90,537)	(118,341)	(240,662)	(610,193)	(202,305)	(280,281)	(7,952)	(201,631)	(100,094)	(73,481)	(77,610)	(75,595)	(2,085,007)	(501,167)	-	(248,798)	(202,535)	(143,981)	(104,038)	(172,224)	(1,372,743)
Profit / mark-up on bank deposits		(1,807)	(1,497)	(6,548)	(968)	(15,276)	(10,530)	(6,008)	(8)	(1,494)	(2,513)	(2,076)	(8,016)	(10,230)	(66,971)	(2,540)	-	(1,076)	(392)	(1,927)	(1,164)	(2,058)	(9,157)
Other income		-	-	-	(9,359)	-	-	-	-	-	-	-	-	-	(9,359)	-	-	-	-	-	-	-	-
		(310)	(2,574)	(3,507)	(7,292)	(9,756)	(4,128)	(5,480)	(154)	(4,628)	(3,070)	(2,372)	(1,657)	(1,629)	(46,557)	(9,270)	-	(11,824)	(3,027)	(5,720)	(6,819)	(3,304)	(39,963)
(Increase) / decrease in assets																							
Investments - net		1,642,972	-	-	-	(8,861,621)	-	-	(1,009,118)	-	-	-	-	-	(8,227,767)	5,408,713	-	(1,394,174)	-	-	-	72	4,014,611
Increase / (decrease) in liabilities																							
Payable to the Management Company		(1,662)	-	-	22	167	-	110	70	99	100	285	308	518	17	(2,323)	-	1,784	-	324	278	448	511
Payable to the Trustee		(198)	-	-	28	458	-	-	38	-	-	68	469	465	1,328	(552)	-	198	-	60	32	368	106
Payable to Securities and Exchange Commission of Pakistan		(100)	-	-	11	543	-	-	46	-	-	81	272	550	1,403	(666)	-	100	187	-	-	502	122
Accrued expenses and other liabilities		(59,505)	5,523	350	3,384	5,565	530	2,601	2,163	208	692	18,459	16,243	19,976	16,189	(59,448)	-	60,092	791	721	747	110,927	113,830
		(61,465)	5,523	350	3,445	6,733	530	2,711	2,317	307	792	18,893	17,292	21,509	18,937	(62,989)	-	62,174	978	1,105	1,057	112,245	114,569
Cash generated from / (used in) operation		1,581,197	2,949	(3,157)	(3,847)	(8,864,644)	(3,598)	(2,769)	(1,006,955)	(4,321)	(2,278)	16,521	15,635	19,880	(8,255,387)	5,336,454	-	(1,343,824)	(2,049)	(4,615)	(5,762)	109,013	4,089,217
Other income		-	-	-	9,359	-	-	-	-	-	-	-	-	-	9,359	-	-	-	-	-	-	-	-
Income received from Government securities		6,324	90,500	118,341	231,303	610,193	202,305	280,281	7,953	201,631	100,090	73,481	77,610	75,595	2,075,607	501,167	-	-	202,535	143,981	104,038	172,223	1,123,944
Income received from profit / mark-up on bank deposits		2,113	1,497	6,548	968	9,674	10,530	6,008	-	1,494	2,513	2,076	8,016	6,119	57,556	3,434	-	770	392	1,927	1,164	2,058	9,745
Net cash flows generated from (used in) / operating activities		1,589,634	94,946	121,732	237,783	(8,244,777)	209,237	283,520	(999,002)	198,804	100,325	92,078	101,261	101,594	(6,112,865)	5,841,055	-	(1,343,054)	200,878	141,293	99,440	283,294	5,222,906
CASH FLOWS FROM FINANCING ACTIVITIES																							
Receipts from issue of units		-	1,833,310	5,943,330	5,200,454	8,886,844	8,556,122	11,053,818	1,040,304	8,000,013	7,250,522	3,500,006	7,255,106	9,877,193	78,397,022	-	-	1,583,498	5,500,000	4,270,000	3,500,000	9,742,367	24,595,865
Payment against redemption of units		(1,593,735)	(1,922,733)	(6,064,712)	(5,434,792)	(37,114)	(8,764,829)	(11,334,627)	(30,002)	(8,198,510)	(7,350,055)	(3,573,191)	(7,339,075)	(9,961,389)	(71,604,764)	(5,856,353)	-	-	(5,699,900)	(4,410,188)	(3,598,383)	(9,913,417)	(29,478,241)
Dividend paid		-	-	-	-	(597,309)	-	-	(7,466)	-	-	-	-	-	(604,775)	-	-	(235,633)	-	-	-	-	(235,633)
Net cash (used in) / generated from financing activities		(1,593,735)	(89,423)	(121,382)	(234,338)	8,252,421	(208,707)	(280,809)	1,002,836	(198,497)	(99,533)	(73,185)	(83,969)	(84,196)	6,187,483	(5,856,353)	-	1,347,865	(199,900)	(140,188)	(98,383)	(171,050)	(5,118,009)
Net increase/ (decrease) in cash and cash equivalents		(4,101)	5,523	350	3,445	7,644	530	2,711	3,834	307	792	18,893	17,292	17,398	74,618	(15,298)	-	4,811	978	1,105	1,057	112,244	104,897
Cash and cash equivalents at beginning of the period		4,811	-	-	-	-	-	-	-	-	-	-	-	-	4,811	16,047	511	-	-	-	-	-	16,558
Cash and cash equivalents at end of the period	5	710	5,523	350	3,445	7,644	530	2,711	3,834	307	792	18,893	17,292	17,398	79,429	749	511	4,811	978	1,105	1,057	112,244	121,455

The annexed notes from 1to 27 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Mehfooz Munafa Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBL-MEMF/298/2022 dated April 05, 2022 and the Trust Deed was executed on May 24, 2022.

1.2 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.3 The Fund is an Open-End Fixed Rate/Return Scheme. The Management Company has the intention of launching 13 fixed return plans having maturities of up to thirty-six months from the date of closure of the Initial Public Offering (IPO). The Allocation Plans are closed for new subscriptions after the close of their respective subscription periods.

During the year, HBL Mehfooz Munafa Fund Plan-III matured on July 10, 2025, Plan-IV on March 09, 2026, Plan-IX on October 07, 2025, Plan-X on June 06, 2026, Plan-XII on January 12, 2026, Plan-XIII on February 09, 2026, Plan-XV on May 07, 2026, Plan-XVI on May 07, 2026, Plan-XVII on June 12, 2026, Plan-XIX on June 19, 2026 and Plan-XX on June 30, 2026.

As at June 30, 2026, HBL Mehfooz Munafa Fund Plan-XI and Plan-XIV were active. The units of HBL Mehfooz Munafa Fund Plan-XI were initially offered for public subscription at a par value of Rs. 100 per unit on October 25, 2025, while the units of HBL Mehfooz Munafa Fund Plan-XIV were initially offered for public subscription at a par value of Rs. 100 per unit on June 08, 2026.

1.4 The Fund has been categorised as a Fixed Rate/Return scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

1.5 The Core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

1.6 VIS Credit rating Company has assigned a management quality rating of AM1 (stable outlook) to the Management Company on December 31, 2025 while the fund is currently not rated.

1.7 Title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as trustee of the Fund.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017, along with the part VIIIA of the repealed companies ordinance, 1984; and
- Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC rules), Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs'), which is the Fund's functional currency.

2.4 Use of judgments and estimates

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

	Note
a) Classification and valuation of investment	4.2
c) Impairment of investment	4.2.4

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
\	
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027

	Effective date (annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances maintained with banks. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

Classification and subsequent measurement

4.2.2 Financial assets

There are three principal classification categories for financial assets:

- At amortised cost (AC);
- At fair value through other comprehensive income (FVOCI); and
- At fair value through profit or loss (FVPL).

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses, gain / loss on derecognition and modification and impairment charge and reversals are recognised in income statement.

Financial assets at FVOCI

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

Financial assets at FVPL

All other financial assets are classified as FVPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.

- Held-to-collect and sell business model: This includes Government Securities and Sukuks, if any. These financial assets are held to collect contractual cash flow and sell the financial assets.

- Other business model: This includes Government Securities and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

4.2.3 Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) and measure subsequently using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.2.4 Impairment of financial assets

The Fund at each reporting date assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.5 Derecognition

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.2.6 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange (PSX) are valued at rates quoted on PSX.

Basis of valuation of spread transactions

Spread transactions are valued at their fair value determined using quoted market prices and rates prevailing at the reporting date. The valuation reflects the difference between the contracted purchase and sale prices of the underlying securities, adjusted for accrued income/expenses where applicable.

4.2.7 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.8 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net income / (loss) for the year of the Fund by the weighted average number of units outstanding during the year. Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.4 Provisions

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.6 Proposed distributions

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the year. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Compnay during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable is paybale to the distributers / Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.8 Element of income and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Assets Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.9 Net assets value per unit

The net assets value (NAV) per unit as disclosed in the statement of assets and liabilities is calculated by dividing the net assets of the Fund by the number of units in issue in circulation as at the year end.

4.10 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the Income Statement on the date at which the transaction takes place.
- Income from Government securities, and investment in debt securities are recognized using the effective interest rate method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recognized in the Income Statement in the period in which they arise.
- Profit on balances with banks is recognized on time proportion basis.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, trustee fee and annual fee of the SECP are recognised in the Income Statement when incurred.

4.13 Transactions with related parties / connected persons

Transactions with connected persons are carried in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

			2026													2025							
			Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
5	BALANCES WITH BANKS	Note	----------Rupees in '000'----------														----------Rupees in '000'----------							
	Local Currency																							
	in savings accounts	5.1	710	5,523	350	3,445	7,644	530	2,711	3,834	307	792	18,893	17,292	17,398	79,429	749	511	4,811	978	1,105	1,057	112,245	121,456

5.1 These accounts carry profit rates ranging from 11.00% to 13.50% (2025: 8.0% to 11.5%) per annum of HBL Mehfooz Munafa Fund Plan-III to Plan-XX.

			2026													2025							
			Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
6	INVESTMENTS	Note	----------Rupees in '000'----------														----------Rupees in '000'----------							
	At amortised cost	6.1	-	-	-	-	8,861,621	-	-	1,009,118	-	-	-	-	-	9,870,739	-	-	1,642,972	-	-	-		1,642,972
			-	-	-	-	8,861,621	-	-	1,009,118	-	-	-	-	-	9,870,739	-	-	1,642,972	-	-	-	-	1,642,972
6.1	At amorised cost																							
	Government securities																							
	Market Treasury Bills	6.1.1	-	-	-	-	8,861,621	-	-	1,009,118	-	-	-	-	-	9,870,739	-	-	1,642,972	-	-	-	-	1,642,972
	Pakistan Investment Bonds	6.1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Term Deposit Receipts (TDRs)	6.1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	8,861,621	-	-	1,009,118	-	-	-	-	-	9,870,739	-	-	1,642,972	-	-	-	-	1,642,972

6.1.1 At amorised cost

Plan	Particulars	Tenure	Issue Date	Maturity Date	As at July 01, 2025	Placement made during the period	Income accrued	Sales / matured during the period	As at June 30, 2026	Percentage of total investment	Percentage of net assets
					---------- Rupees in '000 ----------						
Plan-III	Market treasury bills	12 Months	11-Jul-24	10-Jul-25	1,642,972	-	7,028	(1,650,000)	-	0%	0%
Plan-IV	Market treasury bills	12 Months	6-Mar-25	5-Mar-26	-	1,828,239	90,537	(1,918,776)	-	0%	0%
Plan-IX	Market treasury bills	03 Months	10-Jul-25	2-Oct-25	-	5,026,658	118,342	(5,145,000)	-	0%	0%
Plan-X	Market treasury bills	12 Months	26-Jun-25	24-Jun-26	-	5,189,287	240,662	(5,429,949)	-	0%	0%
Plan-XI	Market treasury bills	12 Months	16-Oct-25	15-Oct-26	-	8,251,428	610,193	-	8,861,621	90%	99.93%
Plan-XII	Market treasury bills	12 Months	9-Jan-25	8-Jan-26	-	8,303,472	196,528	(8,500,000)	-	0%	0%
Plan-XII	Market treasury bills	03 Months	16-Oct-25	8-Jan-26	-	244,223	5,778	(250,000)	-		
Plan-XIII	Market treasury bills	03 Months	13-Nov-25	6-Feb-26	-	10,585,572	269,428	(10,855,000)	-	0%	0%
Plan-XIII	Market treasury bills	12 Months	2-Jun-25	6-Feb-26	-	459,148	10,852	(470,000)	-		
Plan-XIV	Market treasury bills	12 Months	14-May-26	13-May-27	-	1,001,166	7,952	-	1,009,118	10%	99.85%
Plan-XVII	Market treasury bills	03 Months	17-Mar-26	11-Jun-26	-	3,491,519	73,481	(3,565,000)	-	0%	0%
Plan-XIX	Market treasury bills	01 Months	13-May-26	18-Jun-26	-	7,174,390	77,610	(7,252,000)	-	0%	0%
Total - as at June 30, 2026					1,642,972	51,555,101	1,708,390	(45,035,725)	9,870,739	100%	200%
Total - as at June 30, 2025					5,408,713	24,338,981	1,380,308	(29,485,030)	1,642,972	100%	100%

6.1.2 At amorised cost

Particulars	Tenor	Issue date	Face value				Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Market value as a percentag of:	
			As at July 01, 2025	Purchases during the year	Sales during the year	As at June 30, 2026				Total investments	Net assets
			---------- (Rupees in '000) ----------							----------%----------	
Plan-XV:											
Pakistan Investment Bond	05 Years	6-May-21	-	7,777,265	7,777,265	-	-	-	-	0%	0%
Plan-XVI:											
Pakistan Investment Bond	05 Years	5-Jun-21	-	6,966,265	6,966,265	-	-	-	-	0%	0%
Total as at June 30, 2026			**-**	**14,743,530**	**14,743,530**	**-**	**-**	**-**	**-**	**0%**	**0%**

6.1.3 At amorised cost

Investments	As at July 01, 2025	Placement made during the year	Income accrued	Sales/matured during the year	As at June 30, 2026	Percentage of total of investments	Percentage of net assets
Term Deposit Receipts (Plan XX)	-	9,665,730	75,595	9,741,325	-	0%	0%

6.1.3.1 This letter of Term Deposit Receipts carry markup at the rate 11.33% per annum.

		2026														2025							
		Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
7 PROFIT RECEIVABLE	Note	----------Rupees in '000'----------														--------Rupees in '000'--------							
Bank deposits	7.1	-	-	-	-	5,602	-	-	8	-	-	-	-	4,111	9,721	-	-	306	-	-	-	-	306
		-	-	-	-	5,602	-	-	8	-	-	-	-	4,111	9,721	-	-	306	-	-	-	-	306

7.1 This includes Rs. 9.721 million (2025: 0.306 million) receivable from Habib Bank Limited, a related party.

		2026														2025							
		Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
8 PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	----------Rupees in '000'----------														--------Rupees in '000'--------							
Remuneration payable to the management company	8.1	-	-	-	19	145	-	-	61	-	-	161	181	367	934	-	-	1,458	-	282	241	390	2,371
Sindh sales tax on management company's remuneration	8.2	-	-	-	3	22	-	-	9	-	-	24	27	55	140	-	-	219	-	42	36	58	355
Allocation of expenses related to registrar services, accounting,operation and valuation services	8.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Formation cost payable		122	-	-	-	-	-	110	-	99	100	100	100	96	727	-	204	107	-	-	-		311
		122	-	-	22	167	-	110	70	99	100	285	308	518	1,801	-	204	1,784	-	324	277	448	3,037

8.1 As per the Regulation 61 of the NBFC Regulations, Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the offering document. The maximum limit disclosed in the offering document is 1.5% per annum of average annual net assets. During the period, the fee is being charged at the rate (0.02%-0.15%) of the average annual net assets. The fee is payable monthly in arrears.

8.2 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Management Company.

		2026														2025							
		Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
9 PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	----------Rupees in '000'----------														--------Rupees in '000'--------							
Remuneration payable to Trustee	9.1	-	-	-	24	398	-	-	33	-	-	59	408	404	1,326	-	-	172	-	52	28	320	573
Sindh Sales Tax on remuneration of the Trustee	9.3	-	-	-	4	60	-	-	5	-	-	9	61	61	200	-	-	26	-	8	4	48	86
		-	-	-	28	458	-	-	38	-	-	68	469	465	1,526	-	-	198	-	60	32	368	659

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tari? speci?ed therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

9.2 As per the trust deed and offering document, the trustee remunaration shall consist of reimbursement of actual custodian expenses plus trustee tariff of 0.055% p.a. of net assets.

9.3 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% (2025: 15%) on remuneration of the Trustee.

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a trustee to a collective investment scheme classified as an Income Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the fund has charged the SECP fee at the rate of 0.075% (2025: 0.075%) of net assets during the current year.

	2026														2025							
	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
11 ACCRUED EXPENSES AND OTHER LIABILITIES	----------Rupees in '000'----------														--------Rupees in '000'--------							
Withholding tax payable-dividend	-	-	-	-	2,945	-	-	2,163	-	-	-	-	-	5,108	-	-	58,909	-	-	-	-	58,909
Withholding tax payable-others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for federal excise duty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	519	122	58	47	193	939
Capital gain tax payable	-	5,171	-	2,941	5	78	2,219	-	-	542	18,296	16,137	19,880	65,269	-	-	-	-	-		33,775	33,775
Legal fee	154	-	50	50	70	100	30	-	49	50	50	50	48	701	-	-	-	150	150	148	50	498
Auditors' remuneration	213	302	300	305	209	300	300	-	148	100	100	50	48	2,375	404	236	300	300	300	349	150	2,039
Printing charges	197	-	-	-	-	-	-	-	-	-	-	-	-	197	306	71	191	200	183	183	-	1,135
Payable against conversion of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	76,759	76,759
Others	23	50	-	88	2,336	52	52	-	11	-	13	6	-	2,631	39	-	173	19	30	20	-	280
	587	5,523	350	3,384	5,565	530	2,601	2,163	208	692	18,459	16,243	19,976	76,282	749	307	60,092	791	721	747	110,926	174,334

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026.(2025:Nil)

13 NUMBER OF UNITS IN ISSUE

	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
Total units in issue at the beginning of the year	15,834,488	-	-	-	-	-	-	-	-	-	-	-	-	15,834,488	53,372,035	-	-	-	-	-	-	53,372,035
Add: Units issued	-	18,333,099	59,433,297	52,004,536	88,866,699	85,561,218	110,538,185	10,403,009	80,000,125	72,505,218	35,000,060	72,551,057	98,771,927	783,968,430	-	-	15,834,488	55,000,000	42,700,000	35,000,000	97,423,669	245,958,157
Less: Units redeemed	(15,834,488)	(18,333,099)	(59,433,297)	(52,004,536)	(370,465)	(85,561,218)	(110,538,185)	(300,010)	(80,000,125)	(72,505,218)	(35,000,060)	(72,551,057)	(98,771,927)	(701,203,685)	(53,372,035)	-	-	(55,000,000)	(42,700,000)	(35,000,000)	(97,423,669)	(283,495,704)
Total units in issue at the end of the year	-	-	-	-	88,496,234	-	-	10,102,999	-	-	-	-	-	98,599,233	-	-	15,834,488	-	-	-	-	15,834,488

14 AUDITORS' REMUNERATION

	2026														2025							
	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
	---------- Rupees in '000 ----------														---------- Rupees in '000 ----------							
Annual audit fee	6	256	254	258	177	254	254	-	125	85	85	42	41	1,837	354	-	240	240	240	280	240	1,594
Out of pocket expenses	1	26	25	26	18	25	25	-	13	8	8	4	4	183	53	-	60	60	60	70	60	363
Sindh Sales Tax	1	20	21	21	14	20	20	-	10	7	7	3	3	148								
	8	302	300	305	209	300	300	-	148	100	100	50	48	2,168	407	-	300	300	300	350	300	1,957

15 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current year as the Fund has distributed required minimum percentage of income earned by the Fund for the year ending 30 June 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2026			
	At fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-III				
Bank balances	-	-	710	710
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	710	710
Plan-IV				
Bank balances	-	-	5,523	5,523
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	5,523	5,523
Plan-IX				
Bank balances	-	-	350	350
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	350	350

	2026			
	At fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-X				
Bank balances	-	-	3,445	3,445
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	3,445	3,445
Plan-XI				
Bank balances	-	-	7,644	7,644
Investments				
Market Treasury Bills	-	-	8,861,621	8,861,621
Profit receivable	-	-	5,602	5,602
	-	-	8,874,867	8,874,867
Plan-XII				
Bank balances	-	-	530	530
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	530	530
Plan-XIII				
Bank balances	-	-	2,711	2,711
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	2,711	2,711
Plan-XIV				
Bank balances	-	-	3,834	3,834
Investments				
Market Treasury Bills	-	-	1,009,118	1,009,118
Profit receivable	-	-	8	8
	-	-	1,012,960	1,012,960
Plan-XV				
Bank balances	-	-	307	307
Investments				
Pakistan Investment Bonds	-	-	-	-
Profit receivable	-	-	-	-
	-	-	307	307
Plan-XVI				
Bank balances	-	-	792	792
Investments				
Pakistan Investment Bonds	-	-	-	-
Profit receivable	-	-	-	-
	-	-	792	792

	2026			
	At fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-XVII				
Bank balances	-	-	18,893	18,893
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	18,893	18,893
Plan-XIX				
Bank balances	-	-	17,292	17,292
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	17,292	17,292
Plan-XX				
Bank balances	-	-	17,398	17,398
Investments				
Term Deposit Receipts	-	-	-	-
Profit receivable	-	-	4,111	4,111
	-	-	21,509	21,509
Financial liabilities				
Plan-III				
Payable to the HBL Asset Management Limited - Management Company	-	-	122	122
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	587	587
	-	-	709	709
Plan-IV				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	352	352
	-	-	352	352
Plan-IX				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	350	350
	-	-	350	350
Plan-X				
Payable to the HBL Asset Management Limited - Management Company	-	-	19	19
Payable to the Central Depository Company - Trustee	-	-	24	24
Accrued expenses and other liabilities	-	-	443	443
	-	-	486	486

	2026			
	At fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-XI				
Payable to the HBL Asset Management Limited - Management Company	-	-	145	145
Payable to the Central Depository Company - Trustee	-	-	398	398
Accrued expenses and other liabilities	-	-	2,615	2,615
	-	-	3,158	3,158
Plan-XII				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	452	452
	-	-	452	452
Plan-XIII				
Payable to the HBL Asset Management Limited - Management Company	-	-	110	110
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	382	382
	-	-	492	492
Plan-XIV				
Payable to the HBL Asset Management Limited - Management Company	-	-	61	61
Payable to the Central Depository Company - Trustee	-	-	33	33
Accrued expenses and other liabilities	-	-	-	-
	-	-	94	94
Plan-XV				
Payable to the HBL Asset Management Limited - Management Company	-	-	99	99
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	208	208
	-	-	307	307
Plan-XVI				
Payable to the HBL Asset Management Limited - Management Company	-	-	100	100
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	150	150
	-	-	250	250
Plan-XVII				
Payable to the HBL Asset Management Limited - Management Company	-	-	261	261
Payable to the Central Depository Company - Trustee	-	-	59	59
Accrued expenses and other liabilities	-	-	163	163
	-	-	483	483
Plan-XIX				
Payable to the HBL Asset Management Limited - Management Company	-	-	281	281
Payable to the Central Depository Company - Trustee	-	-	408	408
Accrued expenses and other liabilities	-	-	106	106
	-	-	795	795

	2026			
	At fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-XX				
Payable to the HBL Asset Management Limited - Management Company	-	-	463	463
Payable to the Central Depository Company - Trustee	-	-	404	404
Accrued expenses and other liabilities	-	-	96	96
	-	-	963	963

	Fair value through OCI	2025		
		Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-I				
Bank balances	-	-	749	749
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	749	749
Plan-II				
Bank balances	-	-	511	511
Investments				
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	511	511
Plan-III				
Bank balances	-	-	4,811	4,811
Investments				-
Market Treasury Bills	-	-	1,642,972	1,642,972
Profit receivable	-	-	306	306
	-	-	1,648,089	1,648,089
Plan-V				
Bank balances	-	-	978	978
Investments				-
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	978	978

	2025			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-VI				
Bank balances	-	-	1,105	1,105
Investments				-
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	1,105	1,105
Plan-VII				
Bank balances	-	-	1,057	1,057
Investments				-
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	1,057	1,057
Plan-VIII				
Bank balances	-	-	112,244	112,244
Investments				-
Market Treasury Bills	-	-	-	-
Profit receivable	-	-	-	-
	-	-	112,244	112,244
Financial liabilities				
Plan-I				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	749	749
	-	-	749	749
Plan-II				
Payable to the HBL Asset Management Limited - Management Company	-	-	204	204
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	307	307
	-	-	511	511
Plan-III				
Payable to the HBL Asset Management Limited - Management Company	-	-	1,566	1,566
Payable to the Central Depository Company - Trustee	-	-	172	172
Accrued expenses and other liabilities	-	-	664	664
	-	-	2,402	2,402
Plan-V				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	-	-	669	669
	-	-	669	669

	2025			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Financial assets				
Plan-VI				
Payable to the HBL Asset Management Limited - Management Company	-	-	282	282
Payable to the Central Depository Company - Trustee	-	-	52	52
Accrued expenses and other liabilities	-	-	663	663
	-	-	997	997
Plan-VII				
Payable to the HBL Asset Management Limited - Management Company	-	-	241	241
Payable to the Central Depository Company - Trustee	-	-	28	28
Accrued expenses and other liabilities	-	-	700	700
	-	-	969	969
Plan-VIII				
Payable to the HBL Asset Management Limited - Management Company	-	-	390	390
Payable to the Central Depository Company - Trustee	-	-	320	320
Accrued expenses and other liabilities	-	-	76,959	76,959
	-	-	77,669	77,669

17 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

17.1 Connected persons/Related parties include HBL Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members and key management personnel of the Management Company.

17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and NBFC Regulations which are publicly available documents.

17.3 Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

17.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the year end are as follows:

	2026														2025						
	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
	Rupees in '000														Rupees in '000						
17.5 Transactions during the period																					
HBL Asset Management Limited - Management Company																					
Remuneration of Management Company	192	790	1,290	3,049	1,168	798	1,059	61	1,383	1,274	1,018	371	367	12,820	4,256	-	7,776	267	3,033	4,114	905	20,351
Sindh Sales Tax on remuneration of the Management company	33	118	194	457	175	120	159	9	207	191	153	56	55	1,927	638	-	1,166	40	455	617	136	3,052
Allocation of expenses related to registrar services, accounting, operation and valuation services	-	-	4	89	63	52	3	-	-	-	8	-	-	219	-	-	-	-	-	-	-	-
Formation cost	4	-	27	-	-	-	100	-	99	100	100	100	96	626	-	-	-	-	-	-	-	-
Central Depository Company of Pakistan Limited - Trustee																					
Remuneration	26	483	645	1,290	3,211	1,097	1,456	33	1,087	539	373	408	404	11,052	1,561	-	-	-	-	-	-	1,561
Sindh Sales Tax on remuneration of the Trustee	-	72	97	193	482	165	218	5	163	81	56	61	61	1,654	234	-	-	-	-	-	-	234
Habib Bank Limited - Sponsor																					
Bank charges paid	1	50	20	-	-	-	50	-	10	-	5	5	-	141	21	-	23	17	-	10	-	71
Profit / mark-up on deposits accounts	1,807	1,497	6,548	968	15,276	10,530	6,008	8	1,494	2,513	2,076	8,016	10,230	66,971	2,540	-	1,076	392	1,927	1,163	2,058	9,156
Kot Addu Power Company Ltd - Connected due to holding of 10% or more																					
Redemption of 53,372,035 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,856,353	-	-	-	-	-	-	5,856,353
Pakistan Mortgage Refinance Company Ltd - Connected due to holding of 10% or more																					
Issuance of 15,834,488 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,583,498	-	-	-	-	1,583,498
Multan Electric Power Company Ltd - Connected due to holding of 10% or more																					
Issuance of 55,000,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,500,000	-	-	-	5,500,000
Redemption of 55,000,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,699,900	-	-	-	5,699,900
Issuance of 42,700,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,270,000	-	-	4,270,000
Redemption of 42,700,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,410,188	-	-	4,410,188
Issuance of 35,000,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,500,000	-	3,500,000
Redemption of 35,000,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,598,383	-	3,598,383
Sapphire Electric Company - Connected Person to holding of 10% or more																					
Issuance of 10,000,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000
Redemption of 10,000,000 units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,017,644	1,017,644
Oil and Gas Development Company Limited- Connected Person to holding of 10% or more																					
Issuance of 86,776,568 units	-	-	-	-	8,695,810	-	-	-	-	-	-	-	-	8,695,810	-	-	-	-	-	-	-	-

	2026														2025								
	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
	Rupees in '000														Rupees in '000							
Crescent Education Trust- Connected Person to holding of 10% or more																						
Issuance of 100,000 units	-	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000	-	-	-	-	-	-	-	-
Redemption of 100,000 units	-	-	-	-	-	-	-	-	-	10,140	-	-	-	10,140	-	-	-	-	-	-	-	-
Iqrar Husain Syed- Connected Person to holding of 10% or more																						
Issuance of 1,994,784 units	-	-	-	-	-	-	-	-	-	-	-	-	199,479	199,479	-	-	-	-	-	-	-	-
Redemption of 1,992,802 units	-	-	-	-	-	-	-	-	-	-	-	-	200,729	200,729	-	-	-	-	-	-	-	-
Related Party - Executive																						
Issuance of 10 units	-	-	-	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Redemption of 10 units	-	-	-	-	-	-	-	1	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Issuance of 266 units	-	27	-	-	-	-	-	-	-	-	-	-	-	27	-	-	-	-	-	-	-	-
Redemption of 266 units	-	28	-	-	-	-	-	-	-	-	-	-	-	28	-	-	-	-	-	-	-	-
Issuance of 317 units	-	-	-	32	-	-	-	-	-	-	-	-	-	32	-	-	-	-	-	-	-	-
Redemption of 317 units	-	-	-	34	-	-	-	-	-	-	-	-	-	34	-	-	-	-	-	-	-	-
Issuance of 11 units	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Redemption of 11 units	-	-	-	-	-	1	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-
Issuance of 115 units	-	-	-	-	-	-	-	-	12	-	-	-	-	12	-	-	-	-	-	-	-	-
Redemption of 115 units	-	-	-	-	-	-	-	-	12	-	-	-	-	12	-	-	-	-	-	-	-	-
Issuance of 339,000 units	-	-	-	-	-	-	-	-	-	33,900	-	-	-	33,900	-	-	-	-	-	-	-	-
Redemption of 339,000 units	-	-	-	-	-	-	-	-	-	34,070	-	-	-	34,070	-	-	-	-	-	-	-	-
Issuance of 50 units	-	-	-	-	-	-	-	-	-	-	5	-	-	5	-	-	-	-	-	-	-	-
Redemption of 50 units	-	-	-	-	-	-	-	-	-	-	5	-	-	5	-	-	-	-	-	-	-	-
Issuance of 203,938 units	-	-	-	-	-	-	-	-	-	-	-	20,394	-	20,394	-	-	-	-	-	-	-	-
Redemption of 203,938 units	-	-	-	-	-	-	-	-	-	-	-	20,593	-	20,593	-	-	-	-	-	-	-	-
Issuance of 240,932 units	-	-	-	-	-	-	-	-	-	-	-	-	24,093	24,093	-	-	-	-	-	-	-	-
Redemption of 240,932 units	-	-	-	-	-	-	-	-	-	-	-	-	24,268	24,268	-	-	-	-	-	-	-	-
Associate																						
Pakistan National Shipping Corporation																						
Issuance of 50,000,000 units	-	-	-	5,000,000	-	-	-	-	-	-	-	-	-	5,000,000	-	-	-	-	-	-	-	-
Redemption of 50,000,000 units	-	-	-	5,130,886	-	-	-	-	-	-	-	-	-	5,130,886	-	-	-	-	-	-	-	-
17.6 Balance outstanding as at the period end																						
HBL Asset Management Limited - Management Company																						
Remuneration payable to the Management Company	-	-	-	19	145	-	-	61	-	-	161	181	367	934	-	-	1,458	-	282	241	390	2,371
Sindh Sales Tax payable on Management Company's remuneration	-	-	-	3	22	-	-	9	-	-	24	27	55	140	-	-	219	-	42	36	58	355
Formation cost payable	122	-	-	-	-	-	110	-	99	100	100	100	96	727	-	204	107	-	-	-	-	311
Central Depository Company of Pakistan Limited - Trustee																						
Trustee fee payable	-	-	-	24	398	-	-	33	-	-	59	408	404	1,326	-	-	172	-	52	28	320	572
Sindh Sales Tax payable on Trustee Remuneration	-	-	-	4	60	-	-	5	-	-	9	61	61	200	-	-	26	-	8	4	48	86

	2026														2025							
	Plan-III	Plan-IV	Plan-IX	Plan-X	Plan-XI	Plan-XII	Plan-XIII	Plan-XIV	Plan-XV	Plan-XVI	Plan-XVII	Plan-XIX	Plan-XX	Total	Plan-I	Plan-II	Plan-III	Plan-V	Plan-VI	Plan-VII	Plan-VIII	Total
	---------- Rupees in '000 ----------														---------- Rupees in '000' ----------							
Habib Bank Limited - Sponsor																						
Balances with banks	710	5,523	350	3,445	7,644	530	2,711	3,834	307	792	18,893	17,292	17,398	79,428	749	511	4811	978	1105	1056	112245	121,455
Profit / mark-up receivable	-	-	-	-	5,602	-	-	8	-	-	-	-	4,111	9,721	-	-	306.26	-	-	-	-	306
Bank charges payable	-	50	-	-	-	-	50	-	10	-	5	5	-	120	-	-	-	13.21	30.00	19.77	-	63
Pakistan Mortgage Refinance Company Ltd - Connected due to holding of 10% or more																						
Units held Nil units (2025:15,834,488 Units)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,585,915	-	-	-	-	1,585,915

18 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in Government securities. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

18.1 Market risk

Market risk is a risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

18.1.1 Currency risk

Currency risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk as all transactions are carried out in Pakistani Rupees.

18.1.2 Interest rate risk

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which range between 11.00% to 13.50% per annum,

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the year and the net assets would have been higher / lower by Rs. 0.0071 million, Rs. 0.0552 million, Rs. 0.0035 million, Rs. 0.0345 million, Rs. 88.6926 million, Rs. 0.0053 million, Rs. 0.0271 million, Rs. 10.1295 million, Rs. 0.0031 million, Rs. 0.0079 million, Rs. 0.1889 million, Rs. 0.1729 million and Rs. 0.1714 million (2025: 0.004811) for plan 3 to 20 respectively.

b) Fair value interest rate risk

The Fund's investment portfolio currently includes Treasury bills (T bills), which have fixed interest rates. This characteristic of T bills ensures that the Fund's holdings are not influenced by changes in market interest rates. As a result, the Fund is not subject to fair value interest rate risk at this time.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

	As at June 30, 2026				
	Exposed to yield / interest rate risk				
	Effective yield / interest rate	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest rate risk	Total
	%	Rupees in '000				
Plan XI						
On-balance sheet financial instruments						
Financial assets						
Bank balances	11 - 13.50	7,644	-	-	-	7,644
Investments						
Market Treasury Bills		-	-	-	8,861,621	8,861,621
Profit receivable		-	-	-	5,602	5,602
Sub total		7,644	-	-	8,867,223	8,874,867
Financial liabilities						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	145	145
Payable to the Central Depository Company - Trustee		-	-	-	398	398
Accrued expenses and other liabilities		-	-	-	2,615	2,615
Sub total		-	-	-	3,158	3,158
On-balance sheet gap (a)		7,644	-	-	8,864,065	8,871,709
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		7,644	-	-	8,864,065	8,871,709
Cumulative interest rate sensitivity gap		7,644	-	-		
Plan XIV						
On-balance sheet financial instruments						
Financial assets						
Bank balances	11 - 13.50	3,834	-	-	-	3,834
Investments						
Market Treasury Bills		-	-	-	1,009,118	1,009,118
Profit receivable		-	-	-	8	8
Sub total		3,834	-	-	1,009,126	1,012,960

	As at June 30, 2026				
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
Financial liabilities						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	61	61
Payable to the Central Depository Company - Trustee		-	-	-	33	33
Accrued expenses and other liabilities		-	-	-	-	-
Sub total		-	-	-	94	94
On-balance sheet gap (a)		3,834	-	-	1,009,032	1,012,866
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		3,834	-	-	1,009,032	1,012,865
Cumulative interest rate sensitivity gap		3,834	-	-		
Plan XX						
On-balance sheet financial instruments						
Financial assets						
Bank balances	11 - 13.50	17,398	-	-	-	17,398
Investments						
Market Treasury Bills		-	-	-	-	-
Profit receivable		-	-	-	4,111	4,111
Sub total		17,398	-	-	4,111	21,509
Financial liabilities						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	463	463
Payable to the Central Depository Company - Trustee		-	-	-	404	404
Accrued expenses and other liabilities		-	-	-	96	96
Sub total		-	-	-	963	963
On-balance sheet gap (a)		17,398	-	-	3,148	20,546
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		17,398	-	-	3,148	20,546
Cumulative interest rate sensitivity gap		17,398	-	-		

	As at June 30, 2025					
	Effective yield / interest rate	Exposed to yield / interest rate risk			Not exposed to yield / interest rate risk	Total
		Upto three months	More than three months and upto one year	More than one year		
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Bank balances	7 - 10	4,811	-	-	-	4,811
Investments						
Market Treasury Bills	18.4	-	-	-	1,642,972	1,642,972
Profit receivable		-	-	-	306	306
Sub total		4,811	-	-	1,643,278	1,648,089
Financial liabilities						
Payable to the HBL Asset Management Limited - Management Company		-	-	-	1,566	1,566
Payable to the Central Depository Company - Trustee		-	-	-	172	172
Accrued expenses and other liabilities		-	-	-	664	664
Sub total		-	-	-	2,402	2,402
On-balance sheet gap (a)		4,811	-	-	1,640,876	1,645,687
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		4,811	-	-	1,640,876	1,645,687
Cumulative interest rate sensitivity gap		4,811	-	-		

18.1.3 Other price risk

Price risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Fund does not hold any security which exposes the Fund to price risk.

18.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in bank balances. Bank balances are maintained with balance with a reasonably high credit rating.

18.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2026.

	2026			
	Balance as at June 30, 2026	Rating agency	Published rating	Percentage of total bank balances
Bank balances	(Rupees in '000)			%
Name of the bank				
Plan-III				
Habib Bank Limited	710	VIS	A-1+	0.89
Plan-IV				
Habib Bank Limited	5,523	VIS	A-1+	6.95
Plan-IX				
Habib Bank Limited	350	VIS	A-1+	0.44
Plan-X				
Habib Bank Limited	3,445	VIS	A-1+	4.34
Plan-XI				
Habib Bank Limited	7,644	VIS	A-1+	9.62
Plan-XII				
Habib Bank Limited	530	VIS	A-1+	0.67
Plan -XIII				
Habib Bank Limited	2,711	VIS	A-1+	3.41
Plan -XIV				
Habib Bank Limited	3,834	VIS	A-1+	4.83
Plan -XV				
Habib Bank Limited	307	VIS	A-1+	0.39
Plan -XVI				
Habib Bank Limited	792	VIS	A-1+	1.00
Plan -XVII				
Habib Bank Limited	18,893	VIS	A-1+	23.79
Plan -XIX				
Habib Bank Limited	17,292	VIS	A-1+	21.77
Plan -XX				
Habib Bank Limited	17,398	VIS	A-1+	21.90
	79,429			100

	2025			
	Balance as at June 30, 2026	Rating agency	Published rating	Percentage of total bank balances
Bank balances	(Rupees in '000)			%
Name of the bank				
Plan-I				
Habib Bank Limited	749	VIS	A-1+	0.62
Plan-II				
Bank Al Habib Limited	21	PACRA	A-1+	0.02
Habib Bank Limited	489	VIS	A-1+	0.40
Plan-III				
Habib Bank Limited	4,811	VIS	A-1+	3.96
Plan-V				
Habib Bank Limited	978	VIS	A-1+	0.81
Plan-VI				
Habib Bank Limited	1,105	VIS	A-1+	0.91
Plan-VII				
Habib Bank Limited	1,057	VIS	A-1+	0.87
Plan -VIII				
Habib Bank Limited	112,244	VIS	A-1+	92.42
	121,455			100

The Fund is exposed to cash redemptions subject to contingent load due to early redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow. The borrowing, however, shall not be resorted to, except for meeting redemption requests. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current year, no borrowings were made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current year.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	2026			
	As at June 30, 2026			
	Upto three months	More than three months and upto one year	More than one year	Total
	Rupees in '000			
Plan - III				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	122	-	-	122
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	587	-	-	587
	709	-	-	709
Plan - IV				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	352	-	-	352
	352	-	-	352
Plan - IX				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	350	-	-	350
	350	-	-	350
Plan - X				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	19	-	-	19
Payable to the Central Depository Company - Trustee	24	-	-	24
Accrued expenses and other liabilities	443	-	-	443
	486	-	-	486
Plan - XI				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	145	-	-	145
Payable to the Central Depository Company - Trustee	398	-	-	398
Accrued expenses and other liabilities	2,615	-	-	2,615
	3,158	-	-	3,158

Particulars	2026			
	As at June 30, 2026			
	Upto three months	More than three months and upto one year	More than one year	Total
	Rupees in '000			
Plan - XII				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	452	-	-	452
	452	-	-	452
Plan - XIII				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	110	-	-	110
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	382	-	-	382
	492	-	-	492
Plan - XIV				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	61	-	-	61
Payable to the Central Depository Company - Trustee	33	-	-	33
Accrued expenses and other liabilities	-	-	-	-
	94	-	-	94
Plan - XV				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	99	-	-	99
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	208	-	-	208
	307	-	-	307
Plan - XVI				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	100	-	-	100
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	150	-	-	150
	250	-	-	250

Particulars	2026 As at June 30, 2026			
	Upto three months	More than three months and upto one year	More than one year	Total
	Rupees in '000			
Plan - XVII				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	261	-	-	261
Payable to the Central Depository Company - Trustee	59	-	-	59
Accrued expenses and other liabilities	163	-	-	163
	483	-	-	483
Plan - XIX				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	281	-	-	281
Payable to the Central Depository Company - Trustee	408	-	-	408
Accrued expenses and other liabilities	106	-	-	106
	795	-	-	795
Plan - XX				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	463	-	-	463
Payable to the Central Depository Company - Trustee	404	-	-	404
Accrued expenses and other liabilities	96	-	-	96
	963	-	-	963

Particulars	2025 As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
	Rupees in '000			
Plan - I				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	749	-	-	749
	749	-	-	749

Particulars	2025			
	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
	Rupees in '000			
Plan - II				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	204	-	-	204
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	307	-	-	307
	511	-	-	511
Plan - III				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	1,566	-	-	1,566
Payable to the Central Depository Company - Trustee	172	-	-	172
Accrued expenses and other liabilities	664	-	-	664
	2,402	-	-	2,402
Plan - V				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	-	-	-	-
Payable to the Central Depository Company - Trustee	-	-	-	-
Accrued expenses and other liabilities	669	-	-	669
	669	-	-	669
Plan - VI				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	282	-	-	282
Payable to the Central Depository Company - Trustee	52	-	-	52
Accrued expenses and other liabilities	663	-	-	663
	997	-	-	997
Plan - VII				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	241	-	-	241
Payable to the Central Depository Company - Trustee	28	-	-	28
Accrued expenses and other liabilities	700	-	-	700
	969	-	-	969

Particulars	2025			
	As at June 30, 2025			
	Upto three months	More than three months and upto one year	More than one year	Total
	Rupees in '000			
Plan - VIII				
Financial liabilities				
Payable to the HBL Asset Management Limited - Management Company	390	-	-	390
Payable to the Central Depository Company - Trustee	320	-	-	320
Accrued expenses and other liabilities	76,959	-	-	76,959
	77,669	-	-	77,668

19 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily issuance and redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;
- Redeems and issues units in accordance with the constitutive documents of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current year.

20 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

There were no brokers during the year ended June 30, 2026.

21 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. no.	Name	Designation	Qualifications	Experience in years
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2.	Rahat Saeed Khan	Head of Fixed income	MBA	27+
3.	Amin Mohammad	Head of Risk	MBA	32+
4.	Hammad Ali Abbas	Senior Fund Manager	MSC	20+
5.	Nida Siddiqui	Assistant Fund Manager	MBA	1

22 **PATTERN OF UNITHOLDING**

Plan-III

The Fund has redeemed all of its units held on July 10, 2025, after which there has been no unit holder left in the Plan.

Plan-IV

The Fund has redeemed all of its units held on March 09, 2026, after which there has been no unit holder left in the Plan.

Plan-IX

The Fund has redeemed all of its units held on October 07, 2025, after which there has been no unit holder left in the Plan.

Plan-X

The Fund has redeemed all of its units held on June 06, 2026, after which there has been no unit holder left in the Plan.

Category	As at June 30, 2026			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Plan-XI				
Retirement Funds	1	86,776,568	8,695,810	98.06%
Individuals	6	1,719,666	172,330	1.94%
	6	88,496,234	172,330	100%

Plan-XII

The Fund has redeemed all of its units held on January 12, 2026, after which there has been no unit holder left in the Plan.

Plan-XIII

The Fund has redeemed all of its units held on February 09, 2026, after which there has been no unit holder left in the Plan.

Category	As at June 30, 2025			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Plan-III				
Other Corporate	1	15,834,488	1,585,915	100.00%
	1	15,834,488	1,585,915	100.00%

The Fund has redeemed all of its units held on May 07, 2026, after which there has been no unit holder left in the Plan

Plan-XVI

The Fund has redeemed all of its units held on May 07, 2026, after which there has been no unit holder left in the Plan.

Plan-XVII

The Fund has redeemed all of its units held on June 12, 2026, after which there has been no unit holder left in the Plan.

Plan-XIX

The Fund has redeemed all of its units held on June 19, 2026, after which there has been no unit holder left in the Plan.

Plan-XX

The Fund has redeemed all of its units held on June 30, 2026, after which there has been no unit holder left in the Plan.

Plan-I

The Fund has redeemed all of its units held on December 26, 2024 after which there has been no unit holder left in the fund.

Plan-II

The Fund has redeemed all of its units held on August 09, 2023 after which there has been no unit holder left in the fund.

Category	As at June 30, 2026			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Plan-XIV				
Other Corporate	1	10,052,746	1,005,610	99.50%
Individuals	1	50,253	5,030	0.50%
	2	10,102,999	1,010,640	100%

The Fund has redeemed all of its units held on December 26, 2024 after which there has been no unit holder left in the fund.

Plan-VI

The Fund has redeemed all of its units held on January 09, 2025 after which there has been no unit holder left in the fund.

Plan-VII

The Fund has redeemed all of its units held on March 06, 2025 after which there has been no unit holder left in the fund.

Plan-VIII

The Fund has redeemed all of its units held on June 26, 2025 after which there has been no unit holder left in the fund.

23 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2025 , October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026, June 23, 2026. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Mr. Mir Adil Rashid	9	9	-	-
3	Mr. Khalid Malik	9	9	-	-
4	Ms. Sheeza Ahmed	9	9	-	-
5	Ms. Ava A. Cowasjee	9	8	1	-
6	Mr. Tariq Masaud	9	8	1	October 30, 2025
7	Mr. Abrar Ahmed Mir	9	4	5	October 20, 2025, April 29, 2026, February 25, 2026, June 04, 2026, June 23, 2026.
8	Mr. Rayomond H. Kotwal	6	5	1	December 22, 2025
9	Mr. Habib Yousuf Habib	3	3	-	-
10	Ms. Sahar Awan	3	3	-	-
11	Mr. Irfan Ahmed Meer	2	2	-	-

24 TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 8.1 of these financial statements.

Plan	TER including levy	Levy
III	0.79%	0.16%
IV	0.29%	0.09%
IX	0.30%	0.10%
X	0.31%	0.10%
XI	0.16%	0.08%
XII	0.21%	0.09%
XIII	0.21%	0.09%
XIV	0.03%	0.01%
XV	0.20%	0.09%
XVI	0.31%	0.10%
XVII	0.35%	0.11%
XIX	0.22%	0.09%
XX	0.21%	0.09%

25 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. No significant rearrangement or reclassification was made in these financial statements during the year.

26 GENERAL

26.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

26.2 The HBL Mehfooz Munafa Fund Plan-IV, IX, X , XI , XII , XIII , XIV , XV, XVI , XVII , XIX and XX have been launched in current year. Therefore, no comparative figures have been presented for these plans.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on **August 27, 2026** by the Board of Directors of the Management Company.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive Officer	Director

Regular Income Fund

FUND INFORMATION

NAME OF FUND	HBL Regular Income Fund
NAME OF AUDITOR	BDO Ebrahim & Co. Chartered Accountants
NAME OF TRUSTEE	Central Depository Company of Pakistan Limited.
BANKERS	Habib Bank Limited

Type and Category of Fund

Open end Income Fund

Investment Objective and Accomplishment of Objective

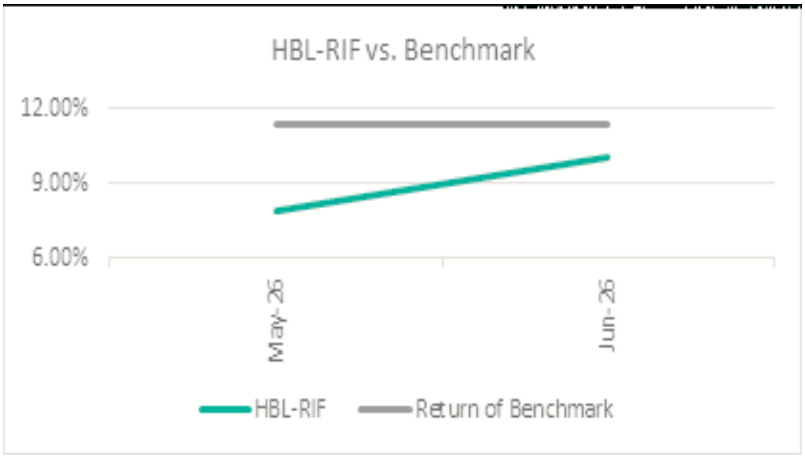
The objective of the Fund is to provide a stable stream of income with moderate level of risk by investing in fixed income securities. The investment objective is achieved.

Benchmark and Performance Comparison with Benchmark

The Fund's benchmark is 75% six (6) months KIBOR rates + 25% six (6) months average of the highest rates on savings account of three (3) AA rated scheduled Banks as selected by MUFAP.

The comparison of the fund return with benchmark is given below:

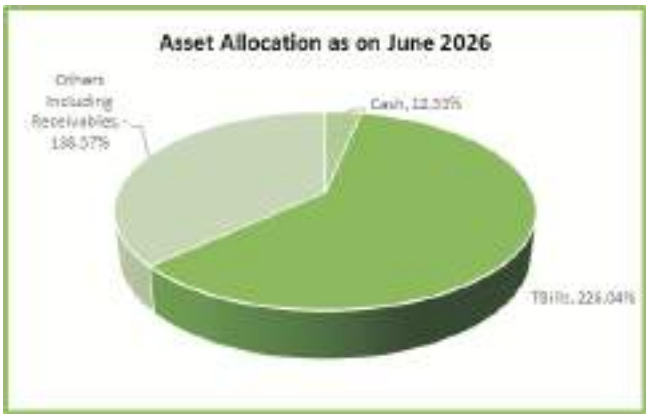
Month	Return of Fund	Benchmark
Jun-26	10.01%	11.39%
May-26	7.91%	11.36%



Strategies and Policies employed during the Year
As on June 30, 2026 investments were primarily geared towards T-bills followed by placement in Daily Product Accounts.

The fund yield a since inception return of 9.10% against a benchmark of 11.37%

Asset Allocation



Fund Performance

The total income and net income of the Fund was Rs. 2.56 million and Rs. 2.06 million respectively during the year ended June 30, 2026. The Net Asset Value (NAV) per unit of the Fund was Rs. 100.0000 per unit as on June 30, 2026 (after incorporating dividend of Rs. 1.3381 per unit) thereby giving an annualized return of 9.10%. During the same period, the benchmark return was 11.37%. The size of Fund was Rs. 42 million as on June 30, 2026.

Money Market Review

During the period under review, the State Bank of Pakistan (SBP) adjusted the Policy Rate twice in response to evolving economic conditions and regional developments. The first adjustment took place in December 2025, when the SBP reduced the Policy Rate by 50 basis points (bps) to 10.5%. This was followed by a 100-bps increase in April 2026, bringing the Policy Rate to 11.5% amid heightened regional hostilities. The rate remained unchanged at 11.5% through the end of the period.

Secondary market yields across most tenors increased, driven by rising global oil prices and heightened geopolitical tensions, which reinforced inflation expectations and tightened market sentiment. As a result, yields on the 3-month, 6 months, and 1 year government securities rose by 35 bps, 59 bps, and 74 bps, respectively, while yields on the 3 year and 5-year securities increased by 54 bps and 40 bps, reaching 11.56%, 11.60%, 11.63%, 11.69%, and 11.80%, respectively. The 10-year tenor, by contrast, eased by 11 bps to settle at 12.19%.

The SBP is expected to maintain a cautious stance going forward. Market yields are likely to remain soft amid improved liquidity and the current policy setting; however, any rise in inflation particularly driven by higher oil prices due to prevailing geopolitical conditions could exert upward pressure on yields.

Distribution

The Fund has distributed cash dividend up-to Rs. 1.3381 per unit for the year ended June 30, 2026.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs during the year under review.

Breakdown of Unit Holding by Size

From – To (Number of units)	Number of Unit Holders	Total Number of Units Held
1 - 100	3	55
101 - 500	1	202
501 - 1,000	-	-
1,001 - 10,000	1	5,436
10,001 - 100,000	5	205,786
100,001 - 500,000	1	204,227
500,001 - 1,000,000	-	-
1,000,001 - 5,000,000	-	-
5,000,001 and above	-	-
Total	**11**	**415,706**

Unit Splits

There were no unit splits during the year.

Circumstances materially affecting the Interest of Unit Holders

Investments are subject to market risk.

Soft Commission

The Management Company from time to time receives research reports and presentations from brokerage houses.

PERFORMANCE TABLE - HBL REGULAR INCOME FUND

As at June 30, 2026

	2026
Net assets at the period end(Rs'000)	41,571
NET ASSETS VALUE PER UNIT AT 30 JUNE - RUPEES	
Redemption	100.0000
Offer	100.0000
OFFER / REDEMPTION DURING THE PERIOD - RUPEES	
Highest offer price per unit	100.0000
Lowest offer price per unit	100.0000
Highest redemption price per unit	100.0000
Lowest redemption price per unit	100.0000
RETURN (%)	
Total return	9.10%
Income distribution	9.04%
Capital growth	0.06%
DISTRIBUTION	
First Interim dividend distribution (Rs)	-
Date of Income Distribution	
Second Interim dividend distribution (Rs)	-
Date of Income Distribution	
Third Interim dividend distribution (Rs)	-
Date of Income Distribution	
Interim dividend distribution (Rs)	1.34
Date of Income Distribution	Daily dividend
Total dividend distribution for the year/ period (Rs)	1.34
AVERAGE RETURNS (%)	
Average annual return 1 year	9.10%
Average annual return 2 year	-
Average annual return 3 year	-
Weighted average portfolio during (No. of days)	77
PORTFOLIO COMPOSITION - (%)	
Percentage of Total Assets as at 30 June:	
Bank Balances	12.53%
TFCs	0.00%
PIBs	0.00%
Government Securities	87.47%
Placement with Banks and DFIs	0.00%
MTS / Spread Transaction	0.00%
Commercial Paper	0.00%
Others Including receivables	0.00%

Note:

The Launch date of the Fund is May 08, 2026

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

CENTRAL DEPOSITORY COMPANY
OF PAKISTAN LIMITED
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Fax: (92-21) 34326021 - 23
URL: www.cdcpakistan.com
Email: info@cdcpak.com

TRUSTEE REPORT TO THE UNIT HOLDERS

HBL REGULAR INCOME FUND

Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of HBL Regular Income Fund (the Fund) are of the opinion that HBL Asset Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the period from April 30, 2026 to June 30, 2026 in accordance with the provisions of the following:

(i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;

(ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;

(iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and

(iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

Badiuddin Akber
Chief Executive Officer
Central Depository Company of Pakistan Limited

Karachi: September 28, 2026

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF HBL REGULAR INCOME FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HBL Regular Income Fund ("the Fund"), which comprise the statement of assets and liabilities as at June 30, 2026, and the income statement, the statement of comprehensive income, statement of movement in unit holders' fund and statement of cash flows for the period from April 30, 2026 to June 30, 2026 and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2026, and its financial performance and its cash flows for the period from April 30, 2026 to June 30, 2026 in accordance with accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report Thereon

The Management Company ("HBL Asset Management Limited") is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Company and Board of Directors of the Management Company for the Financial Statements

The Management Company of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan, and for such internal control as the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

In preparing the financial statements, the Management Company is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Company either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Management company is responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Management Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Company.

- Conclude on the appropriateness of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion the financial statements have been prepared in accordance with the relevant provisions of the Non - Banking Finance Companies (Establishment and Regulations) Rules, 2003 and the Non - Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 30 SEP 2026

UDIN: AR202610166YpMnhaZU

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

HBL REGULAR INCOME FUND
Statement of Assets and Liabilities
As at June 30, 2026

	Note	2026 Rs. in '000'
ASSETS		
Balances with bank	5	5,710
Investments	6	94,722
Profit receivable	7	49
TOTAL ASSETS		100,481
LIABILITIES		
Payable to the HBL Asset Management Limited - Management Company	8	95
Payable to the Central Depository Company of Pakistan Limited-Trustee	9	8
Payable to Securities and Exchange Commission of Pakistan	10	7
Accrued expenses and other liabilities	11	58,800
TOTAL LIABILITIES		58,910
NET ASSETS		41,571
UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)		41,571
CONTINGENCIES AND COMMITMENTS	12	
		Number of units
Number of units in issue	13	415,706
		Rupees
Net assets value per unit		100.0000

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL REGULAR INCOME FUND
Income Statement
For the year ended June 30, 2026

	Note	For the period from April 30, 2026 to June 30, 2026
		Rs. in '000'
Income		
Capital gain on sale of investment		14
Income from Government securities		2,104
Profit on bank deposits		419
Unrealised appreciation on re-measurement of investments		24
		2,561
Expenses		
Remuneration of the Asset Management Limited - Management Company	8.1	203
Sindh sales tax on remuneration of the Asset Management Company	8.2	30
Remuneration of the Trustee	9.2	16
Sindh sales tax on remuneration of the Trustee	9.3	2
Annual fee to Securities and Exchange Commission of Pakistan	10	16
Auditors' remuneration	14	238
Brokerage expense		1
		506
Net income for the period before taxation		2,055
Taxation	15	-
Net income for the period		2,055
Allocation of net income for the period		
Net income for the year		2,055
Income already paid on redemption of units		-
		2,055
Accounting income available for distribution:		
Relating to capital gain		14
Excluding capital gain		2,041
		2,055
		2,055

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL REGULAR INCOME FUND
STATEMENT OF COMPREHENSIVE INCOME
For the year ended June 30, 2026

	For the period from April 30, 2026 to June 30, 2026
	Rs. in '000'
Net income for the period	2,055
Other comprehensive income	-
Total comprehensive income for the period	2,055

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL REGULAR INCOME FUND
Statement of Movement in Unit Holders' Fund
For the year ended June 30, 2026

	For the period from April 30, 2026 to June 30, 2026		
	Capital value	Undistributed Income	Total
	---------- (Rupees in '000) ----------		
Net assets at the beginning of the period	-	-	-
Issuance of 2,106,129 units			
- Capital value (at net asset value per unit at the beginning of the period)	210,613	-	210,613
- Element of income / (loss)	-	-	-
Total proceeds on issuance of units	210,613	-	210,613
Redemption of 1,690,423 units			
- Capital value (at net asset value per unit at the beginning of the period)	(169,042)	-	(169,042)
- Element of income / (loss)	-	-	-
Total payments on redemption of units	(169,042)	-	(169,042)
Total comprehensive income for the period	-	2,055	2,055
Distribution during the period	-	(2,055)	(2,055)
Net assets at the end of the period	41,571	-	41,571
Undistributed income brought forward comprising of:			
- Realised income		-	
- Unrealised income / (loss)		-	
		-	
Accounting income available for distribution			
- Relating to capital gains		14	
- Excluding capital gains		2,041	
		2,055	
Undistributed income carried forward		2,055	
Undistributed income carried forward comprising of:			
- Realised income		2,055	
- Unrealised income / (loss)		-	
		2,055	
		(Rupees)	
Net asset value per unit at the beginning of the period		-	
Net asset value per unit at the end of the period		100.0000	

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

HBL REGULAR INCOME FUND
Cash Flow Statement
For the year ended June 30, 2026

	Note	For the period from April 30, 2026 to June 30, 2026
		Rs. in '000'
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period before taxation		2,055
Adjustments for:		
Income from Government securities		(2,104)
Profit on bank deposits		(419)
		(468)
(Increase)/Decrease in assets		
Investments	6	(94,722)
		(94,722)
Increase/(Decrease) in liabilities		
Payable to the Management Company	8	95
Payable to the Trustee	9	8
Payable to Securities and Exchange Commission of Pakistan	10	7
Accrued expenses and other liabilities	11	58,800
		58,910
Cash used in operating activities		(36,280)
Income received from T bills		2,104
Profit / mark-up received on bank deposits		370
		2,474
Net cash used in operating activities		(33,806)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from issue of units		210,613
Dividend paid during the period		(2,055)
Transfer of unit holder's investment in another fund		(169,042)
Net cash generated from financing activities		39,516
Net increase in cash and cash equivalents		5,710
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	5	5,710

The annexed notes from 1 to 28 form an integral part of these financial statements.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 HBL Regular Income Fund Fund (the Fund) was established under a Trust Deed executed between HBL Asset Management Limited as the Management Company, and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on December 18, 2025 and registered under the Sindh Trust Act, 2020, as amended vide Sindh Trusts (Amendment) Act, 2021. The Fund was approved by the Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SCD/AMCW/HBLRIF/2025-108 dated October 29, 2025.

1.2 HBL Asset Management Limited is the Management Company of the Fund, which is a wholly owned subsidiary of Habib Bank Limited. The Aga Khan Fund for Economic Development (AKFED), S.A. is the parent company of Habib Bank Limited.

1.3 The Management Company of the Fund has been registered as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules) and has obtained the requisite license from the SECP to undertake Asset Management Services. The registered office of the Management Company is located at 7th Floor, Emerald Tower, G-19, Block 5, Main Clifton Road, Clifton, Karachi.

1.4 The Fund has been categorised as an Open Ended Income scheme as per the criteria laid down by the SECP for categorisation of open-end Collective Investment Schemes (CISs).

1.5 The Core objective of the Fund is to provide competitive returns to its investors through active investments in low risk portfolio of short duration, while maintaining high liquidity.

1.6 VIS Credit Rating Agency has assigned a management quality rating of 'AM1' (Stable outlook) to the Management Company as at December 31, 2025 while the fund is currently not rated.

1.7 Title to the assets of the Fund is held in the name of CDC as Trustee of the Fund.

1.8 The Securities and Exchange Commission of Pakistan vide Circular 7 of 2009 dated March 6, 2009 required all Asset Management Companies to classify funds under their management on the basis of categorisation criteria laid down in the said circular. The Management Company classified the Fund as 'Compliant Income Scheme' in 'accordance with the said circular. As at June 30, 2026, the Fund is compliant with all the requirements of the said circular except for following.

Non-compliant investment disclosure		
Non-compliance reference	**Regulatory limit**	**%Net asset**
Government securities	75%	227.71%
Percentage of total investment	100%	227.71%
Minimum fund size limit	100 million	41.59 million

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, directives and notifications issued under the Companies Act, 2017, along with the part VIIIA of the repealed companies ordinance, 1984; and
- Non Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC rules), Non-Banking Finance Companies, Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and requirements of the Trust Deed differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations have been followed

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs'), which is the Fund's functional currency.

2.4 Use of judgments and estimates

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The estimates, judgements and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities.

	Note
a) Classification and valuation of investment	4.2
c) Impairment of investment	4.2.4

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements as a whole are as follows:

3 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

3.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026

The following stantdards, amendments and interpretations are effective for the year ended June 30, 2026. These standards, amendments and interpretations are either not relevant to the Fund's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual years beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting years, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Fund's operations or are not expected to have significant impact on the Fund's financial statements other than certain additional disclosures.

	Effective date (annual years beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026

	Effective date (annual years beginning on or after)
Amendmends to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency	January 01, 2027
Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 01, 2027
IFRS 17 Insurance Contracts	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual years beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied, unless otherwise stated.

4.1 Cash and cash equivalents

Cash and cash equivalents comprise of balances maintained with banks. Cash equivalents include short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investments and other purposes.

4.2 Financial instruments

4.2.1 Initial recognition and measurement

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or liabilities, as appropriate, on initial recognition. Transaction costs pertaining to financial assets or financial liabilities at fair value through profit or loss are recognised in the income statement.

Classification and subsequent measurement

4.2.2 Financial assets

There are three principal classification categories for financial assets:

- At amortised cost (AC);
- At fair value through other comprehensive income (FVOCI); and
- At fair value through profit or loss (FVPL).

Financial assets at amortized cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL;

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset classified at amortised cost is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit / markup income, foreign exchange gains and losses, gain / loss on derecognition and modification and impairment charge and reversals are recognised in income statement.

Financial assets at FVOCI

A financial asset is classified at FVOCI only if it meets both of the following conditions and is not designated as FVPL;

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI, except for the recognition of impairment losses. In case of debt instrument, when the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from OCI to income statement.

Financial assets at FVPL

All other financial assets are classified as FVPL.

In addition, on initial recognition, the Fund may irrevocably designate a financial asset, that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets designated at fair value through profit or loss are subsequently carried at fair value. Net gains and losses, including any profit / markup or dividend income, are recognised in income statement.

Business model assessment

The Fund makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Fund's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

- the frequency, volume and timing of sales in prior years, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Fund's stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

The Fund has determined that it has three business models:

- Held-to-collect business model: This includes cash and cash equivalents and receivables, if any. These financial assets are held to collect contractual cash flow.

- Held-to-collect and sell business model: This includes Government Securities and Sukuks, if any. These financial assets are held to collect contractual cash flow and sell the financial assets.

- Other business model: This includes Government Securities and Sukuks. These financial assets are held for trading and managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular year of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Fund considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Fund's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting year following the change in the business model.

4.2.3 Financial liabilities

The Fund on initial recognition classifies its financial liabilities at amortised cost (AC) and measure subsequently using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

4.2.4 Impairment of financial assets

The Fund at each reporting date assess whether there is objective evidence that a financial asset or a group of financial assets is impaired. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds the recoverable amount.

The SECP through its letter SCD /AMCW / RS / MUFAP / 2017-148 dated November 21, 2017 has deferred the applicability of impairment requirements of IFRS 9 in relation to debt securities for mutual funds and has instructed to continue to follow the requirements of Circular No. 33 of 2012 dated October 24, 2012.

4.2.5 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in income statement.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognised in income statement.

The Fund derecognises a derivative only when it meets the derecognition criteria for both financial assets and financial liabilities. Where the payment or receipt of variation margin represents settlement of a derivative, the derivative, or the settled portion, is derecognised.

Provisions are recognised when the Fund has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.2.6 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation of debt securities

The fair value of debt securities (other than government securities) is based on the value determined and announced by Mutual Funds association of Pakistan (MUFAP) in accordance with the criteria laid down in Circular No. 1 of 2009 and Circular No. 33 of 2012 issued by Securities and Exchange Commission of Pakistan (SECP). In the determination of the rates, MUFAP takes into account the holding pattern of these securities and categorises them as traded, thinly traded and non-traded securities. The aforementioned circular also specifies the valuation process to be followed for each category as well as the criteria for the provisioning of non-performing debt securities.

Basis of valuation of government securities

The government securities not listed on a stock exchange and traded in the interbank market are valued at the average rates quoted on a widely used electronic quotation system (PKRV / PKFRV / PKISRV) which are based on the remaining tenor of the securities. Moreover, listed government securities traded on Pakistan Stock Exchange (PSX) are valued at rates quoted on PSX.

Basis of valuation of spread transactions

Spread transactions are valued at their fair value determined using quoted market prices and rates prevailing at the reporting date. The valuation reflects the difference between the contracted purchase and sale prices of the underlying securities, adjusted for accrued income/expenses where applicable.

4.2.7 Regular way contracts

All purchases and sales of securities that require delivery within the timeframe established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Fund commits to purchase or sell assets.

4.2.8 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.3 Earnings / (loss) per unit

Earnings / (loss) per unit (EPU) is calculated by dividing the net income / (loss) for the period of the Fund by the weighted average number of units outstanding during the period. Earnings / (loss) per unit has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

4.4 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

4.5 Taxation

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of its accounting income for the period, as reduced by capital gains, whether realised or unrealised, is distributed in cash to the unit holders.

The Fund is also exempt from the provisions of section 113 (minimum tax) and section 113C (Alternative Corporate Tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

4.6 Proposed distributions

Distribution to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the period also includes portion of income already paid on units redeemed during the period.

Distributions declared subsequent to reporting date are considered as non-adjusting events and are recognised in the financial statements of the period in which such distributions are declared and approved by the Board of Directors of the Management Company.

The rate of distribution is adjusted with effect of refund of capital, if any, based on the period of investment made during the period. Resultantly, the rate of distribution per unit may vary depending on the period of investment.

4.7 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the distributors / Management Compnay during business hours on that day. The offer price represents the net assets value per unit as of the close of the business day plus the allowable sales load, provision for transaction costs and any provision for duties and charges, if applicable. The sales load, if applicable is paybale to the distributers / Management Company.

Units redeemed are recorded at the redemption price, applicable to units for which the distributors / Management Company receive redemption applications during business hours of that day. The redemption price represents the net assets value per unit as of the close of the business day less any back-end load (if applicable), any duties, taxes, charges on redemption and any provision for transaction costs, if applicable.

4.8 Element of income and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Assets Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

Element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund; however, to maintain same ex-dividend net asset value of all units outstanding on accounting date, net element of income contributed on issue of units lying in unit holders fund is refunded on units (refund of capital) in the same proportion as dividend bears to accounting income available for distribution. As per guideline provided by MUFAP (MUFAP Guidelines consented upon by SECP) the refund of capital is made in the form of additional units at zero price.

MUFAP, in consultation with the SECP, has specified methodology for determination of income paid on units redeemed (income already paid) during the period under which such income is paid on gross element received and is calculated from the latest date at which the Fund achieved net profitability during the period. The income already paid (Element of Income) on redemption of units during the period are taken separately in statement of movement in unit holders' fund.

4.9 Net assets value per unit

The net assets value (NAV) per unit as disclosed in the Statement of Assets and Liabilities is calculated by dividing the net assets of the Fund by the number of units in issue in circulation as at the period end.

4.10 Unit holders' fund

Unit holders' fund representing the units issued by the Fund, is carried at the net asset value representing the investors' right to a residual interest in the Fund assets.

4.11 Revenue recognition

- Realised gains / (losses) arising on sale of investments are included in the income statement on the date at which the transaction takes place.
- Income from Government securities, and investment in debt securities are recognized using the effective interest rate method.
- Unrealised gains / (losses) arising on re-measurement of investments classified as 'financial assets at fair value through profit or loss' are recognized in the income statement in the period in which they arise.
- Profit on balances with banks is recognized on time proportion basis.

4.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company, trustee fee and annual fee of the SECP are recognised in the Income Statement when incurred.

4.13 Transactions with related parties / connected persons

Transactions with related parties / connected persons are carried in the normal course of business, at contracted rates and terms determined in accordance with market rates.

Remuneration to the Management Company and the Trustee is determined in accordance with the provisions of NBFC Regulations and the Trust Deed respectively.

5	Balances with banks	Note	2026 Rs. in '000'
	Local Currency		
	In savings accounts	5.1	5,710

5.1 These accounts carry profit rate 10.00% per annam.

6	INVESTMENTS	Note	2026 Rs. in '000'
	At fair value through profit and loss	6.1	94,722
			94,722

6.1 At fair value through profit and loss

Particulars	Issue date				Balance as at June 30, 2026			Market value as a percentage	
		Purchased during the period	Sale / matured during the period	As at June 30, 2026	Carrying value as at June 30, 2026	Market value as at June 30, 2026	Un-realised appreciation / (diminution)	Total investments	Net assets
								---------- (%) ----------	
Market Treasury Bills - 3 months									
Market treasury bills	14-May-26	80,000	-	80,000	79,078	79,098	20	83.51%	190%
Market treasury bills	17-Mar-26	15,000	15,000	-	-	-	-	0%	0%
Market treasury bills	30-Apr-26	8,200	-	8,200	8,140	8,143	4	8.60%	20%
Market Treasury Bills - 12months									
Market treasury bills	10-Jul-25	92,500	92,500	-	-	-	-	0%	0%
Market treasury bills	10-Jul-25	7,500	-	7,500	7,481	7,481	-	7.90%	18%
		203,200	107,500	95,700	94,698	94,722	24	100%	228%

7	PROFIT RECEIVABLE	Note	2026 Rs. in '000'
	Bank deposit	7.1	49
			49

7.1 This includes represent receivable from Habib Bank Limited, a related party.

8	PAYABLE TO THE HBL ASSET MANAGEMENT LIMITED - MANAGEMENT COMPANY	Note	2026 Rs. in '000'
	Remuneration payable to the management company	8.1	83
	Sindh sales tax on management company's remuneration	8.2	12
			95

8.1 As per the Regulation 61 of the NBFC Regulations, Asset Management Company may charge variable fee or fixed fee or the combination of both which shall not exceed the limit disclosed in the Offering Document. The maximum limit disclosed in the offering document is 1.50% per annum of average annual net assets. During the period, the fee is being charged at the rate 0.95% of the average annual net assets. The fee is payable monthly in arrears.

8.2 The Sindh Sales Tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% on remuneration of the Management Company.

9	PAYABLE TO THE CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2026 Rs. in '000'
	Remuneration payable to Trustee	9.1 & 9.2	7
	Sindh sales tax on remuneration of the Trustee	9.3	1
			8

9.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed, as per the tari? speci?ed therein, based on the average annual net assets of the Fund. The fee is paid to the Trustee monthly in arrears.

9.2 As per the trust deed and offering document, the trustee remunaration shall consist of reimbursement of actual custodian expenses plus trustee tariff of 0.075% p.a. of net assets.

9.3 The Sindh sales tax levied through Sindh sales tax on Services Act, 2011 at the rate of 15% on remuneration of the Trustee..

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

In accordance with the NBFC Regulations, 2008, a trustee to a collective investment scheme classified as an Income Scheme is required to pay annual fee to the Securities and Exchange Commission of Pakistan (SECP). Accordingly, the Fund has charged the SECP fee at the rate of 0.075% of net assets during the current period.

11	ACCRUED EXPENSES AND OTHER LIABILITIES	Note	2026 Rs. in '000'
	Withholding tax payable		32
	Dividend payable		61
	Auditors' remuneration		238
	Payable against conversion of units		58,468
	Others		1
			58,800

12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at June 30, 2026.

13	NUMBER OF UNITS IN ISSUE	Number of Units
	Units issued	2,106,129
	Less: Units redeemed	(1,690,423)
	Total units in issue at the end of the period	415,706

14	AUDITORS' REMUNERATION	For the period from May 08, 2026 to June 30, 2026
	Annual audit fee	202
	Out of pocket expenses	20
	Sindh Sales Tax	16
		238

15 TAXATION

The Fund's income is exempt from Income Tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the period as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders. Provided that for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the as the case may be, shall not be taken into account. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income other than capital gains / loss to the unit holders. Accordingly, the Fund has not recorded any tax liability in respect of income relating to the current period as the Fund has distributed required minimum percentage of income earned by the Fund for the period ending June 30, 2026 as reduced by capital gains (whether realised or unrealised) to its unit holders.

16 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed in these financial statements as in the opinion of the Management Company the determination of the cumulative weighted average number of outstanding units is not practicable.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	2026			
	Fair value through OCI	Fair value through profit or loss	Amortised cost	Total
	---------- Rupees in '000 ----------			
Assets				
Bank balances	-	-	5,710	5,710
Investments				
Market Treasury Bills	-	94,722	-	94,722
Profit receivable	-	-	49	49
	-	94,722	5,759	100,481
Liabilities				
Payable to the HBL Asset Management Limited	-	-	83	83
Payable to the Central Depositrory Company	-	-	7	7
Accrued expenses and other liabilities	-	-	58,768	58,768
	-	-	58,858	58,858

17 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS / RELATED PARTIES

17.1 Connected persons/Related parties include HBL Asset Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund and directors and their close family members and key management personnel of the Management Company.

17.2 Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and NBFC Regulations which are publicly available documents.

17.3 Remuneration to the Management Company and the trustee is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed respectively.

17.4 The details of significant transactions carried out by the Fund with connected persons and balances with them at the period end are as follows:

17.1 Transactions during the period from April 30, 2026 to June 30, 2026	Rs. in '000'
HBL Asset Management Limited - Management Company	
Remuneration of Management Company	203
Sindh sales tax on remuneration of the Management company	30
Central Depository Company of Pakistan Limited - Trustee	
Remuneration	16
Sindh sales tax on remuneration of the Trustee	2
Connected Party more than 10%	
Ali Naveed Aqeel	
Issuance of units 82,368	4,237
Crescent Educational Trust	
Issuance of units 204,227	20,423
Regiment Fund Account 56 Panjab Regiment	
Issuance of units 97,059	9,706
Jubilee Life Insurance Company Limited	
Purchase of Treasury bills	98,404
CDC Trustee HBL Money Market Fund	
Sale of Treasury bills	106,462

17.2 Balance outstanding as at the period end	
HBL Asset Management Limited - Management Company	
Remuneration payable to the Management Company	83
Sindh sales tax payable on Management Company's remuneration	12
Central Depository Company of Pakistan Limited - Trustee	
Trustee fee payable	7
Sindh sales tax payable on Trustee Remuneration	1
ALI NAVEED AQEEL Connected Party More Than 10%	
Units held: 42,368 units	4,237
CRESCENT EDUCATIONAL TRUST Connected Party More Than 10%	
Units held: 204,227 units	20,423
REGIMENT FUND ACCOUNT 56 PUNJAB REGIMENT Connected Party More Than 10%	
Units held: 97,059 units	9,706

19 FINANCIAL RISK MANAGEMENT

The Board of Directors of the Management Company has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Board is also responsible for developing and monitoring the Fund's risk management policies.

The Fund's risk management policies are established to identify and analyze the risks faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Fund primarily invests in Government securities. These activities expose the Fund to a variety of financial risks, such as market risk, credit risk and liquidity risk.

19.1 Market risk

Market risk is a risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk; currency risk, interest rate risk and other price risk.

19.1.1 Currency risk

Currency risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Fund, at present, is not exposed to currency risk.

19.1.2 Interest rate risk

Interest rate risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

a) Cash flow interest rate risk

The Fund is exposed to cash flow interest rate risk for balances in certain savings accounts, the interest rates on which 10.00% per annum.

In case of 100 basis points increase / decrease in interest rates on June 30, 2026, with all other variables held constant, the net income for the period and the net assets would have been higher / lower by Rs. 0.0557 million.

b) Fair value interest rate risk

The Fund's investment portfolio currently includes Treasury bills (T bills), which have fixed interest rates. This characteristic of T bills ensures that the Fund's holdings are not influenced by changes in market interest rates. As a result, the Fund is not subject to fair value interest rate risk at this time.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

	As at June 30, 2026				
		Exposed to yield / interest rate risk			
	Effective yield / interest rate	Upto three months	More than three months and upto one period	More than one period	Not exposed to yield / interest rate risk	Total
	%	Rupees in '000				
On-balance sheet financial instruments						
Financial assets						
Balances with banks	10.00	5,710	-	-	-	5,710
Investments						
Market Treasury Bills		-	-	-	94,722	94,722
Profit receivable		-	-	-	49	49
Sub total		5,710	-	-	94,771	100,481
Financial liabilities						
Payable to the Management Company		-	-	-	83	83
Payable to the Trustee		-	-	-	7	7
Accrued expenses and other liabilities		-	-	-	58,768	58,768
Sub total		-	-	-	58,858	58,858
On-balance sheet gap (a)		5,710	-	-	35,913	41,623
Off-balance sheet financial instruments		-	-	-	-	-
Off-balance sheet gap (b)		-	-	-	-	-
Total interest rate sensitivity gap (a) + (b)		5,710	-	-	35,913	41,623
Cumulative interest rate sensitivity gap		5,710	-	-		

19.1.3 Other price risk

Price risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Currently, the Fund does not hold any security which exposes the Fund to price risk.

19.2 Credit risk

Credit risk represents the risk of a loss if the counter parties fail to perform as contracted. The Fund's credit risk is primarily attributable to investment in bank balances. Bank balances are maintained with balance with a reasonably high credit rating.

19.2.1 The analysis below summarises the credit rating quality of the Fund's financial assets as at June 30, 2026.

Name of Banks	Balances held as at June 30, 2026	Latest available published rating as at June 30, 2026	Rating agency
	Rupees in '000		
Habib Bank Limited	5,710	A-1+	VIS

19.2.2 The analysis below summarizes the credit quality of the Fund's credit exposure:

Rating by rating category	2026 -- (%) --
A-1+	100

Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect counterparties or groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is mainly concentrated in Government securities and bank balances. There is no concentration of credit risk as at reporting date.

19.3 Liquidity risk

Liquidity risk is a risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous to the Fund.

The Fund is exposed to cash redemptions subject to contingent load due to early redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

The Fund has the ability to borrow. The borrowing, however, shall not be resorted to, except for meeting redemption requests. The maximum amount available to the Fund from the borrowing would be limited to fifteen percent of the total net asset value of the Fund at the time of borrowing and shall be repayable within 90 days. The facility would bear interest at commercial rates and would be secured against the assets of the Fund. However, during the current period, no borrowings were made by the Fund.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold daily redemption requests in excess of 10% of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below 10% of the units then in issue. However, no such instances were witnessed by the Fund during the current period.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Particulars	--------- As at June 30, 2026 ---------			
	Upto three months	More than three months and upto one period	More than one period	Total
	--------- Rupees in '000 ---------			
Financial liabilities				
Payable to the HBL Asset Management Limited	83	-	-	83
Payable to the Central Depository Company	7	-	-	7
Accrued expenses and other liabilities	58,768	-	-	58,768
	58,858	-	-	58,858

20 UNITS HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by the net assets attributable to unit holders / redeemable units. The amount of net assets attributable to unit holders can change significantly as the Fund is subject to early redemptions at the discretion of unit holders. These unit holders of the Fund are entitled to distributions and to payment of a proportionate share based on the Fund's net asset value per unit on the redemption date. The relevant movements are shown on the statement of movement in unit holders' fund. Unit holders fund risk management is carried out by the Management Company through following steps:

- Monitors the level of daily issuance and redemptions relative to the liquid assets and adjusts the amount of distributions the Fund pays to the unit holders;

- Redeems and issues units in accordance with the constitutive documents (Offering Document) of the Fund. This includes the Fund's ability to restrict redemptions; and

- The Fund Manager / Investment Committee members and the Chief Executive Officer of the Management Company critically track the movement of 'Assets under Management'. The Board of Directors is updated regarding key performance indicators, e.g. yield and movement of NAV and total Fund size at the end of each quarter.

The Fund has maintained and complied with the requirements of minimum fund size during the current period.

21 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying amount and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets are based on the quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is current bid price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

As per the requirements of IFRS 7 (Financial Instruments: Disclosures) and IFRS 13 (Fair Value Measurement), the Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

- Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

- Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs) (level3).

As at June 30, 2026, the Fund held the following financial instruments measured at fair values:

	June 30, 2026						
	Carrying amount			Fair value			
	Fair value through profit or loss	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets:							
Balances with bank	-	5,710	5,710	-	-	-	-
Investments	94,722	-	94,722	94,722	-	-	94,722
Profit receivable	-	49	49	-	-	-	-
	94,722	5,759	100,481	94,722	-	-	94,722
Financial Liabilities:							
Payable to the Management Company	-	95	95	-	-	-	-
Payable to the Trustee	-	8	8	-	-	-	-
Accrued expenses and other liabilities	-	58,800	58,800	-	-	-	-
	-	58,903	58,903	-	-	-	-

21.1 Transfers during the period

During the period, no transfers were made between various levels of fair value hierarchy.

22 LIST OF TOP TEN BROKERS / DEALERS BY PERCENTAGE OF COMMISSION PAID / PAYABLE

There were no brokers during the period ended June 30, 2026.

23 PARTICULARS OF THE INVESTMENT COMMITTEE AND THE FUND MANAGER

Details of members of the Investment Committee of the Fund as on June 30, 2026 are as follows:

S. no.	Name	Designation	Qualifications	Experience in periods
1.	Mir Adil Rashid	Chief Executive Officer	BSc	26+
2.	Rahat Saeed Khan	Head of Fixed Income	MBA	27+
3.	Amin Mohammad	Head of Risk	MBA	32+
4.	Nida Siddiqui	Assistant Fund Manager	MBA	1
5.	Hammad Ali Abbas	Senior Fund Manager	MSC	8+

24 PATTERN OF UNITHOLDING

Category	---------- As at June 30, 2026 ----------			
	No. of unit holders	Number of units held	Investment amount	Percentage
			Rupees in '000	
Trust	1	204,227	20,423	49%
Other Corporate	1	97,059	9,706	23%
Individuals	9	114,420	11,442	28%
	11	415,706	41,571	100%

25 ATTENDANCE AT MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

Nine meetings of the Board of Directors were held on August 28,2025 , October 20, 2025, October 30, 2025, December 22, 2025, February 25, 2026, March 04, 2026, April 29, 2026, June 04, 2026, June 23, 2026. Information in respect of the attendance by the Directors in the meetings is given below:

S.No.	Name of Director	Number of meetings			Meetings not attended
		Held	Attended	Leave granted	
1	Mr. Shahid Ghaffar	9	9	-	-
2	Mr. Mir Adil Rashid	9	9	-	-
3	Mr. Khalid Malik	9	9	-	-
4	Ms. Sheeza Ahmed	9	9	-	-
5	Ms. Ava A. Cowasjee	9	8	1	-
6	Mr. Tariq Masaud	9	8	1	October 30, 2025
7	Mr. Abrar Ahmed Mir	9	4	5	October 20, 2025, April 29, 2026, February 25, 2026, June 04, 2026, June 23, 2026.
8	Mr. Rayomond H. Kotwal	6	5	1	December 22, 2025
9	Mr. Habib Yousuf Habib	3	3	-	-
10	Ms. Sahar Awan	3	3	-	-
11	Mr. Irfan Ahmed Meer	2	2	-	-

26 TOTAL EXPENSE RATIO

SECP, vide SRO 600(I)/2025 dated April 10, 2025, has removed the Total Expense Ratio (TER) limit with effect from July 1, 2025. The TER limit, previously applicable, has been replaced with the management fee cap, which has been disclosed in Note 8.1 of these financial statements. The TER for the period ended June 30, 2026 is 1.17%which includes 0.22% representing Government levy and SECP fee HBL Regular Income Fund.

27 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 27, 2026 by the Board of Directors of the Management Company.

28 GENERAL

28.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

28.2 The HBL Regular Income Fund Fund have been launched in current period. Therefore, no comparative figures have been presented for these plans.

For HBL Asset Management Limited
(Management Company)

Chief Financial Officer	Chief Executive	Director

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SECP

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